



CITY OF SANDY, UTAH

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR END JUNE 30, 2007

SANDY CITY
10000 Centennial Parkway
Sandy, Utah 84070

Comprehensive Annual Financial Report
For the year ended June 30, 2007

Prepared by:

Department of Finance

Arthur D. Hunter, Director of Finance and Information Services

Glade G. Jardine, Treasurer

Helen R. Kurtz, Controller

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INTRODUCTORY SECTION



December 21, 2007

Honorable Mayor and
Members of the City Council
Sandy City

The Comprehensive Annual Financial Report (CAFR) of Sandy City (the City), for the fiscal year ended June 30, 2007 is submitted herewith. Utah State law requires that first class cities "present to the governing body an annual financial report prepared in conformity with Accounting Principles Generally Accepted in the United States (GAAP), as prescribed in the Uniform Accounting Manual for Utah Cities." This report, which fulfills this requirement, presents a comprehensive financial picture covering all funds and financial transactions for the year.

This CAFR has been prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included. Likewise, the "Notes to the Financial Statements" are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented in this report.

Management of the City is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

As required by Utah state law, an annual audit has been conducted by independent certified public accountants. The Report of Independent Certified Public Accountants, as prepared by Wisan, Smith, Racker & Prescott, LLP, is included within the Financial Section of this report. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP.

The City is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit

Organizations. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this Single Audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are published under separate cover.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Sandy City is the fifth largest city in Utah. Located about 13 miles south of Salt Lake City, Sandy has experienced tremendous growth in land area and population during the past thirty years. Annexation of previously unincorporated land has resulted in growth from 6.6 square miles in 1970 to nearly 23 square miles today. Annexations combined with new construction resulted in population growth from 6,438 to 94,000 in that same time period.

Money Magazine recently named Sandy one of America's Best Places to live as the 23rd most livable city out of 745 cities with populations that exceeded 50,000. Criteria being scored included economy, safety, education, ease of living, art and parks space. Sandy's first and second highest categories are park space and education respectively. Sandy City was also ranked the 26th safest city out of 371 U.S. cities by Morgan Quitno Press.

Since 1979, the City has operated under the council-mayor form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. One of the Mayor's administrative powers is the appointment of the Chief Administrative Officer, Cabinet Officers and various other positions such as the City Treasurer, the City Recorder, and the City Engineer. The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection, park construction and maintenance, street construction and maintenance, public improvements, engineering, building inspection, planning and zoning, administrative services, recreation services, storm drain system construction and maintenance, and street light system installation and maintenance. The City also operates water, waste collection, and River Oaks Golf Course as enterprise funds. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Sandy Redevelopment Agency is reported as a special revenue fund and Alta Canyon Recreation Special Service District is reported as an enterprise fund.

Comprehensive annual budgets are an essential element for the City's financial planning and control. Therefore,

budgets are adopted annually (required by Utah state law) by the City Council for all funds except debt service funds used to account for special assessments and expendable trust funds which are subject to compensating controls. Utah state law also requires: 1) a balanced budget for each individual fund; however, Redevelopment Agencies are allowed to incur debt prior to the triggering of the tax increment revenue thus allowing an unbalanced budget, 2) department expenditures to conform with departmental appropriations, and 3) individual fund appropriations to be overspent only in "emergencies" (natural disasters). Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the general fund and the storm water fund this comparison begins on page 42 as part of the basic financial statements for the governmental funds. For the other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 85.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy. Although recent reports have noted a slight dip in Utah's economy, the Beehive State continues to post among the strongest job growth rates in the nation. With unemployment rates at an all-time low, many sectors are experiencing labor shortages while workers vie for top-paying jobs.

Sandy is experiencing this growth through new construction with more than 150 projects currently in the planning process or beginning the construction stage. New growth in the Civic Corridor includes hotels, office, retail, mixed use and multi-family housing projects. Currently more than 659,000 square feet of office space is recently completed or under construction throughout the city with more than one million square feet in the conceptual phase. Surrounding areas in Sandy are also experiencing new growth in retail at Quarry Bend which includes retail and housing, Little Cottonwood which has several phases of expansion as well as a new Home Depot. Other retail projects in the City will equal more than 700,000 square feet of new retail space. Construction on the ReAL Salt Lake soccer stadium is in process with an anticipated 2008 opening. The 20,000 seat stadium is Phase I of a \$650 million project located at 9400 South and State Street directly across from Jordan Commons and the South Towne Expo Center.

Because of increasing growth in the commercial areas, Sandy residents enjoy one of the lowest property tax rates in the county, currently .001514 which is 69% of the county average. Property taxes in Sandy have not increased in more than 20 years even though the population in that same time frame has nearly doubled to the current population of 94,000.

Sandy City has seen many exciting and unique projects in recent years as well as having many more on the horizon that will add a whole new level for quality living and shopping experiences for Sandy residents and visitors.

Additional information about economic factors can be found on page 31 of the MD&A.

Long-Term Financial Planning. The City Council approved a balanced budget for the upcoming fiscal year. For the

second year in a row, ongoing expenditures have been held in check to the extent that \$2,600,000 of ongoing revenue is being used for one-time projects. This provides a cushion against an economic downturn and allows us to provide for infrastructure and facility needs without incurring debt. For additional protection from emergencies and financial disruptions, we plan to increase general fund balance by \$236,817 during fiscal year 2008.

The fiscal year 2007 budget includes \$1,700,000 in funding to match a federal grant that will be used for the reconstruction of 1300 East as well as nearly \$1,600,000 to match grant funding for the 20th East corridor improvements that are being done in conjunction with the Point of the Mountain Aqueduct project.

The City will set aside \$1,000,000 of the needed \$4,000,000 to construct a building for the Public Utilities department as well as \$300,000 for maintenance and renovation projects associated with City Hall and \$200,000 for the Public Works facility.

Reinforcing the City's commitment to open space and trails, resources needed to begin work on the Quail Hollow Park (\$751,000) as well as expanding the parking lot at Lone Peak Park (\$150,000) and expanding the Bonneville Shoreline and other trails (\$133,000) were budgeted for fiscal year 2008.

Because the events held in our community help bring people together and are a core service the City provides, the fiscal year 2008 budget funds four new events: the continuation of the Christmas variety show that started in 2006, a founders' day celebration that we hope to establish in historic Sandy, financial support for a visual arts show at the Sandy Senior Citizens Center, and, we will start a balloon festival. To help coordinate and manage these and other events, the budget includes funding to replace a seasonal position with a full-time community events coordinator.

Other personnel expansions included in the budget are a fire captain position to replace one that was eliminated a few years ago, an additional court clerk to enhance customer service, an inspector whose purpose is to prevent the discharge of pollutants in our storm water system, and a webmaster to make the City's web page a better way to get information about the City and conduct business with City departments.

Relevant financial policies. The City takes pride in maintaining its pay-as-you-go strategy along with reasonable long-term financing to keep the debt burden low. Sandy City seeks the most practical and cost-efficient financing available. Following this policy has allowed the City to maintain a "Aa+" bond rating for sales tax revenue bonds and "AA" for general obligation bonds. For further information on long-term liabilities, please refer to page 30 in Management's Discussion and Analysis and page 65 in the notes to the financial statements.

Major initiatives. As we prepare for the future, City administration is committed to 1) maintain and improve basic core municipal services; 2) maintain integrity of residential neighborhoods and preserve property values; 3) preserve and improve public infrastructure and transportation systems; 4) preserve existing and expand additional retail and clean commercial businesses; 5) develop and improve the City's recreational trails and increase recreational opportunities; 6) address the needs of our youth, 7) develop and maintain community facilities; 8) strengthen communications with citizens, businesses, and other institutions; and 9) maintain a highly qualified employee work force. These initiatives are reflected in the fiscal year 2008 budget.

With the above goals in mind, an important initiative is to support the development of the soccer stadium. Once the stadium is completed, additional commercial development in the area will follow. Further, stadium events will bring more commerce to area businesses. To assist in this effort, the City has established a community development area (CDA) around the soccer stadium.

Another major initiative in the fiscal year 2008 budget includes \$4,900,000 of funding to begin two community centers. The first involves the expansion of the Alta Canyon Sports Center to include gymnasium space and office space for our Parks and Recreation department. Upon completion of the Parks offices, a second community center is planned for historic Sandy. These community centers will serve a variety of needs but particularly address the needs of our youth including after school programs that heretofore have been served by the Boys and Girls Club.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2006. This was the twentieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR. This report satisfied both Accounting Principles Generally Accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

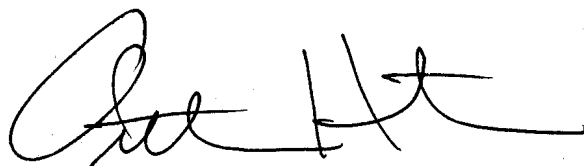
The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2007. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This is the third consecutive year that the City has received this esteemed award.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of Sandy City, preparation of this report would not have been possible.

Respectfully Submitted,



Byron D. Jorgenson,
City Administrator



Arthur D. Hunter,
Finance and Information
Services Director

SANDY CITY

Elected Officials

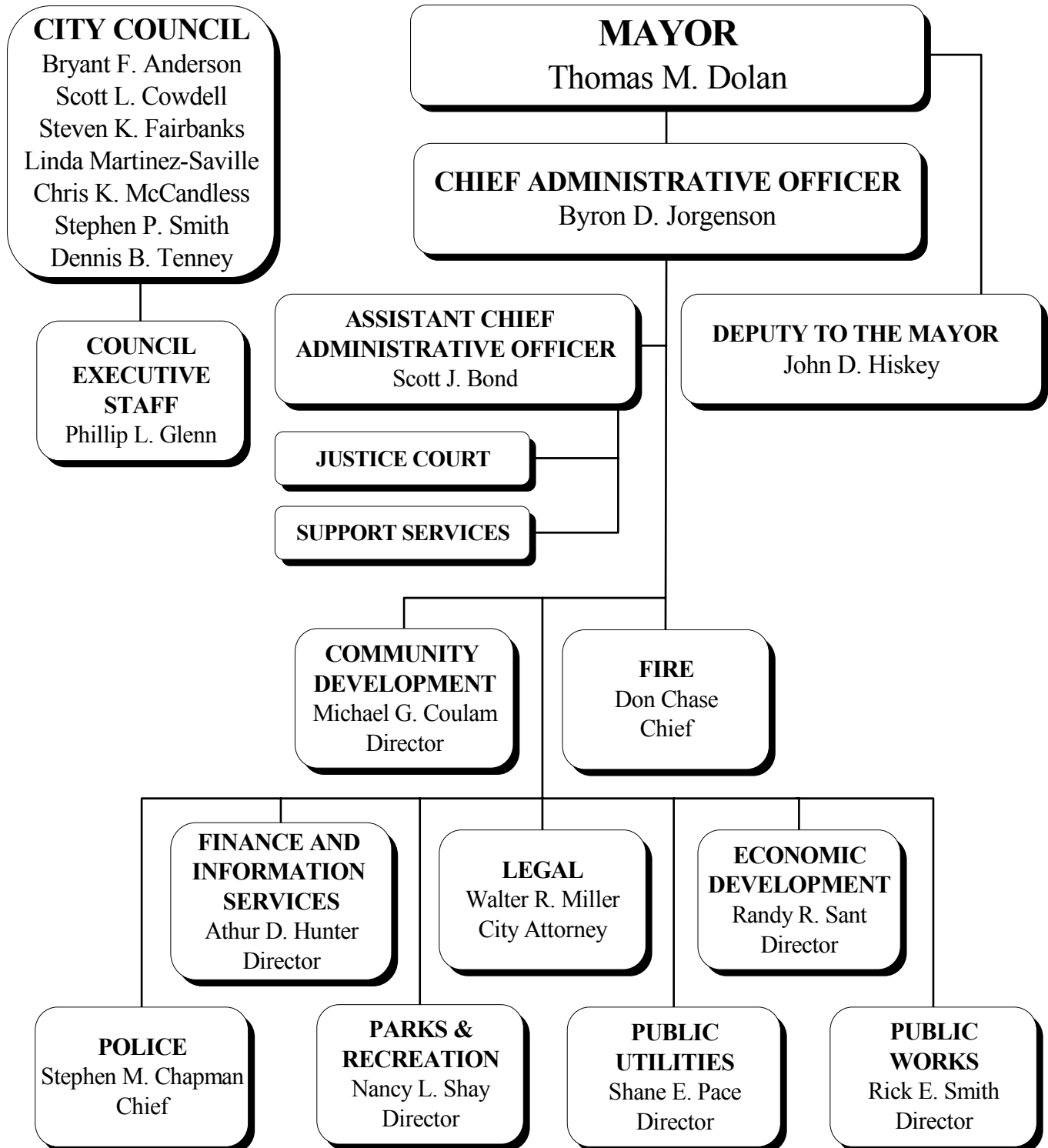
Mayor Thomas M. Dolan
City Council - At Large Linda Martinez-Saville
City Council - At Large Steven K. Fairbanks
City Council - At Large Stephen P. Smith
City Council - District 1 Scott L. Cowdell
City Council - District 2 Dennis B. Tenney
City Council - District 3 Bryant F. Anderson
City Council - District 4 Christopher K. McCandless

Appointed Officials

Chief Administrative Officer Byron D. Jorgenson
Assistant Chief Administrative Officer Scott J. Bond
Deputy to the Mayor John D. Hiskey
City Attorney Walter R. Miller
Finance and Information Services Director Arthur D. Hunter
Chief of Police Stephen M. Chapman
Fire Chief Don Chase
Public Works Director Rick E. Smith
Public Utilities Director Shane E. Pace
Parks and Recreation Director Nancy L. Shay
Community Development Director Michael G. Coulam
Economic Development Director Randy Sant

Sandy City Organizational Structure

CITIZENS OF SANDY



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sandy City
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Ronald J. Hain".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Sandy, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandy, Utah (the City), as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandy, Utah, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund and the Storm Water Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2007, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis, and the schedule of roadway system condition and maintenance, on pages 19 through 32 and 79 through 81, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparison information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and budgetary comparison information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Wesley Smith Racker & Prescott, LLP

Salt Lake City, Utah
December 21, 2007

Management's Discussion and Analysis

As management of Sandy City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which starts on page 7 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2007 by \$491,857,995 (net assets). Of this amount, \$94,199,792 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$20,944,718. Of this increase, 76 percent is attributable to governmental activities, mostly from capital projects. Of this excess, \$5,022,959 was transferred to the capital projects fund for use current and future capital projects. Approximately 19 percent of this increase is attributable to unspent revenues in the water fund that will be used for future capital projects.
- As of the close of fiscal year 2007, the City's governmental funds reported combined ending fund balances of \$35,776,117, a decrease of \$257,099 in comparison with fiscal year 2006. Governmental funds' beginning fund balance increased \$111,060 from the fiscal year 2006 ending fund balance because the City's Community Events department took over ownership and operations of the Sandy Arts Guild as of July 1, 2006. The Arts Guild's fund balance as of July 1, 2006 was incorporated into the City's financial statements. The storm water fund used fund balance saved in prior years for capital projects such as the 8000 South outfall line. The unreserved portion equals \$30,191,066 and is available for spending at the government's discretion.
- At the end of fiscal year 2007, unreserved fund balance of the general fund was \$5,522,615, or 15 percent of total general fund expenditures.
- The City's total long-term obligations decreased \$8,070,720 (11 percent) during fiscal year 2007 from a combination of retiring the 2002A Parking Facility bond (\$3,251,000) and regularly scheduled debt payments.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide

financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, storm water, electric utility, economic development, and culture and recreation. The business-type activities of the City include water, waste, River Oaks Golf Course, and Alta Canyon Sports Center.

Although Alta Canyon Sports Center is a legally separate entity from the City (known as the primary government), the Sports Center provides services, which almost exclusively benefit the City. Alta Canyon functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government (see more information about the Sports Center on page 47).

The government-wide financial statements can be found on pages 34-37 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-

wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the capital projects fund, and the storm water fund, all of which are considered to be major funds. Data from the other nine funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 38-43 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information services, risk management, payroll management, and equipment management. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water utility, waste services, Alta Canyon Sports Center, and River Oaks Golf Course, all of which are considered to be major funds of the City. Conversely, internal service funds are combined into a single, aggregated

presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining* statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 44-46 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-78 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the modified approach for infrastructure. Required supplementary information begins on page 79 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 84-115 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Sandy City, assets exceeded liabilities by \$491,857,995 at the close of fiscal year 2007.

By far the largest portion of the City's net assets (79.7 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

SANDY CITY
Summary of Net Assets
June 30, 2007

	Governmental		Business-type		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current and other assets	64,772,703	66,149,314	58,652,825	55,998,221	123,425,528	122,147,535
Capital assets	389,052,707	381,258,272	65,353,647	63,752,255	454,406,354	445,010,527
Total assets	453,825,410	447,407,586	124,006,472	119,750,476	577,831,882	567,158,062
Long-term liabilities outstanding	38,836,894	45,932,622	26,062,130	27,037,120	64,899,024	72,969,742
Other liabilities	18,438,945	20,886,567	2,635,918	2,388,476	21,074,863	23,275,043
Total liabilities	57,275,839	66,819,189	28,698,048	29,425,596	85,973,887	96,244,785
Net assets:						
Invested in capital assets, net of related debt	352,748,948	337,682,449	39,324,204	36,734,060	392,073,152	374,416,509
Restricted	5,585,051	5,646,513	-0-	-0-	5,585,051	5,646,513
Unrestricted	38,215,572	37,259,435	55,984,220	53,590,820	94,199,792	90,850,255
Total net assets	\$ 396,549,571	\$ 380,588,397	\$ 95,308,424	\$ 90,324,880	\$ 491,857,995	\$ 470,913,277

An additional portion of the City's net assets (1.1 percent) represents resources that are subject to external restrictions on how they may be used, all of which is from governmental activities. The remaining balance of *unrestricted net assets* (\$94,199,792) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of fiscal year 2007, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Restricted net assets for governmental activities decreased 1.1 percent (\$61,462) during fiscal year 2007. Work on various road projects, such as street reconstruction, accounts for a decrease in restricted net assets of \$164,338. A decrease of \$440,900 is attributable to the retirement of the 2002A Parking Facility bond and various debt payments. An increase of \$366,149 in net assets is attributable to increases in capital projects to be completed with new impact fee revenues. An increase of \$177,627 in governmental-type net assets is attributable to prepaid postage (\$27,627) and prepaid employee benefits (\$150,000).

SANDY CITY
Changes in Net Assets

For the Year Ended June 30, 2007

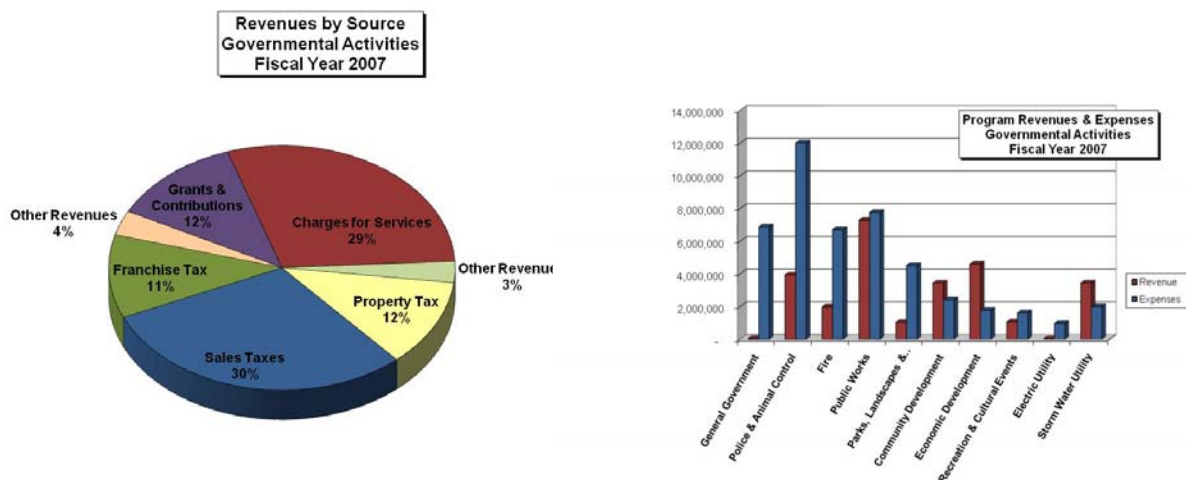
	Governmental		Business-type		Total Primary	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues:						
Charges for services	18,882,914	18,439,837	26,846,150	25,403,194	45,729,064	43,843,031
Operating grants and contributions	3,908,887	4,624,621	-0-	-0-	3,908,887	4,624,621
Capital grants and contributions	4,032,491	2,553,325	-0-	-0-	4,032,491	2,553,325
General revenues:						
Property Tax	7,455,228	7,350,178	354,469	291,608	7,809,697	7,641,786
Sales Tax	19,286,918	17,681,709	-0-	-0-	19,286,918	17,681,709
Franchise Tax	7,091,234	6,600,373	-0-	-0-	7,091,234	6,600,373
Motor Vehicle Fees	824,486	825,617	50,017	38,424	874,503	864,041
Special Assessments	344,658	904,549	-0-	-0-	344,658	904,549
Interest Income	2,104,210	1,472,455	943,093	665,480	3,047,303	2,137,935
Sale of Fixed Assets	(86,980)	5,610	-0-	-0-	(86,980)	5,610
Sundry Revenue	716,827	1,988,606	-0-	-0-	716,827	1,988,606
Total revenues	64,560,873	62,446,880	28,193,729	26,398,706	92,754,602	88,845,586
Expenses						
General Government	6,867,682	6,627,873	-0-	-0-	6,867,682	6,627,873
Police & Animal Control	12,006,296	11,758,990	-0-	-0-	12,006,296	11,758,990
Fire	6,706,058	6,844,133	-0-	-0-	6,706,058	6,844,133
Public Works	7,755,946	5,198,265	-0-	-0-	7,755,946	5,198,265
Parks, Landscapes and Cemetery	4,510,115	3,463,605	-0-	-0-	4,510,115	3,463,605
Community Development	2,410,950	2,346,659	-0-	-0-	2,410,950	2,346,659
Economic Development	1,773,179	2,510,664	-0-	-0-	1,773,179	2,510,664
Recreation and Cultural Events	1,608,880	1,739,575	-0-	-0-	1,608,880	1,739,575
Electric Utility	957,904	938,764	-0-	-0-	957,904	938,764
Storm Water Utility	1,997,000	3,938,323	-0-	-0-	1,997,000	3,938,323
Interest on Long-Term Debt	1,855,689	2,127,833	-0-	-0-	1,855,689	2,127,833
Alta Canyon Sports Center	-0-	-0-	1,114,365	1,066,562	1,114,365	1,066,562
Water Fund	-0-	-0-	17,219,050	16,136,948	17,219,050	16,136,948
Waste	-0-	-0-	3,663,177	3,624,065	3,663,177	3,624,065
Golf Course Fund	-0-	-0-	1,363,593	1,323,255	1,363,593	1,323,255
Total expenses	48,449,699	47,494,684	23,360,185	22,150,830	71,809,884	69,645,514
Increase in net assets before transfers	16,111,174	14,952,196	4,833,544	4,247,876	20,944,718	19,200,072
Transfers	(150,000)	(150,000)	150,000	150,000	-0-	-0-
Increase in net assets	15,961,174	14,802,196	4,983,544	4,397,876	20,944,718	19,200,072
Beginning net assets	380,588,397	365,786,201	90,324,880	85,927,004	470,913,277	451,713,205
Ending net assets	\$ 396,549,571	\$ 380,588,397	\$ 95,308,424	\$ 90,324,880	\$ 491,857,995	\$ 470,913,277

The government's net assets increased \$20,944,718 during fiscal year 2007. This growth largely reflects capital asset additions, increased revenue from economic growth, and rate changes.

Governmental activities: Governmental activities increased the City's net assets by \$15,961,174, accounting for 76.2 percent of the total growth in the City's net assets. Key elements of this change are as follows:

- Sales tax revenue amounted to \$19,286,918 in fiscal year 2007, posting higher in fiscal year 2007 over the prior year by \$1,605,209 and \$1,662,918 over budgeted expectations due to economic growth.

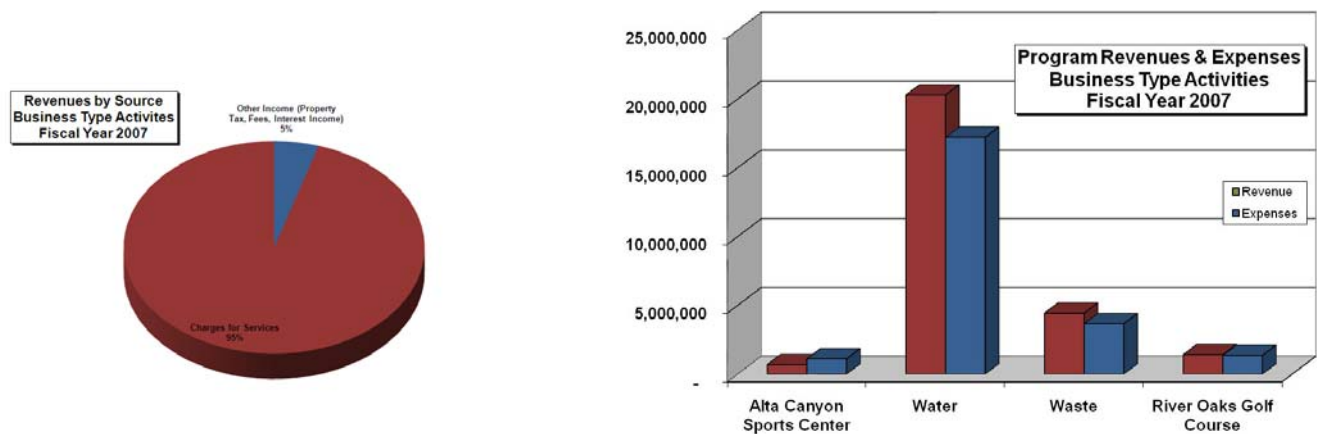
- As the City continued to experience growth in both residential and commercial construction during fiscal year 2007, related revenue rose above expectations; Building permit revenue was \$679,764 over projections; Impact fee revenue posted higher than expected for parks (\$168,796), trails (\$30,877), fire (\$40,730), police (\$65,358), and storm water (\$37,886).
- As of July 1, 2007, the City wholly owns and operates the Sandy Arts Guild, a 501c(3) organization as a part of the Sandy City Amphitheater. Incorporating the Arts Guild's existing finances with the City's increased net assets for governmental activities \$111,060.
- During fiscal year 2007 the City finished \$7,968,500 of capital projects including \$1,159,893 that began in prior years. Governmental activities also contributed \$7,075,772 of construction in progress. More detailed information on capital additions can be found in the Capital Assets and Debt Administration section of the MD&A on page 28.



Business-type activities: Business-type activities increased the City's net assets by \$4,983,544, accounting for 23 percent of the total growth in the government's net assets. Key elements of the change in business-type net assets are as follows:

- On May 1, 2001, the City entered into an interlocal agreement with Salt Lake City and Metropolitan Water District of Salt Lake and Sandy (MWDSLS). Under this agreement, the City is obligated to pay an estimated total of \$126,310,000 over 30 years to the MWDSLS for capital improvements to be conducted by MWDSLS. The fourth annual assessment of \$4,210,322 was paid in fiscal year 2007. An assessment in the same amount will be paid in fiscal year 2008.
- Culinary water sales in the water fund exceeded expectations by \$1,303,976 as a result of growth from new construction, increased consumption by existing customers, and rate increases.
- During fiscal year 2007, the City completed \$1,966,710 in water main additions and continued construction on the granite tank replacement project which, when finished, will increase the tank's capacity from 1.5 million gallons to 10 million gallons. The fiscal year 2007 expenditures for this work in progress totaled \$2,008,387.

- The City's 32.92 percent equity in the Trans-Jordan Cities joint venture provided \$660,560 to the waste fund's net assets increase. Another contributing factor to the waste fund's portion of the overall increase is the \$66,722 in charges for services over expectations.
- Pro shop merchandise sales of \$242,197, which exceeded budgeted expectations by \$20,197, as well as ongoing capital improvements to the golf course clubhouse (\$463,774) were responsible for the River Oaks Golf Course portion (\$198,928) of the increase in business-type activities net assets.
- In fiscal year 2007, Alta Canyon Sports Center caused a \$14,262 decrease in business-type net assets due to depreciation expense of \$121,945. Before depreciation, the Sports Center presents a \$107,683 increase in net assets.



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Sandy City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2007, the City's governmental funds reported combined ending fund balances of \$35,776,117, a decrease of \$257,099 in comparison with fiscal year 2006. Of this amount, \$30,191,066 (84.4 percent) is unreserved, and is therefore available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service (\$979,700) or to pay for capital projects, including road

projects (\$4,427,724). Certain services the City expects to receive in the future have already been paid for (\$177,627).

The general fund is the chief operating fund of the City. At the end of fiscal year 2007, fund balance of the general fund was \$5,700,242, of which is \$177,627 has been paid for future services (prepaid assets) and is therefore restricted. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (\$5,522,615) and total fund balance to total fund expenditures. Unreserved fund balance represents 15 percent of the total general fund expenditures.

The fund balance of the City's general fund increased \$803,155. The key factor causing this increase is the economic growth the City is experiencing resulting in revenues in excess of expectation in sales and use tax (\$1,662,918), building permits (\$679,764), state road allotment (\$408,289), and court fines (\$406,451).

The storm water fund experienced a decrease in fund balance of \$2,701,764 for fiscal year 2007 resulting in a total fund balance of \$3,610,646. The primary cause for the decrease was ongoing construction for the installation of the 8000 South storm drain trunk line and associated lateral lines. Fiscal year 2007 expenditures for this project amounted to \$2,849,660.

The debt service fund has a total fund balance of \$3,208,098, of which \$979,700 is reserved for the payment of debt service. The net fund balance increased 10 percent (\$277,352) during fiscal year 2007. The capital projects fund transferred \$1,560,086 to the debt service fund on June 30, 2007 to fund the July 1, 2007 payoff to MWDSL for right-of-way acquisitions along the 20th East Corridor project.

Fund balance in the capital projects fund increased \$468,920 during fiscal year 2007 leaving an ending fund balance of \$17,571,595. Of the ending fund balance, \$4,427,724 is restricted for specific capital projects, including roads. The increase in fund balance resulted from planned projects that are yet to be completed.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City's proprietary funds experienced cumulative growth of \$2,393,400 in unrestricted net assets amounting to total net assets of \$48,481,931 for the water fund, \$6,564,661 for the waste fund, \$85,401 for Alta Canyon Sports Center, and \$78,704 for River Oaks Golf Course.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Fiscal year 2007 showed a \$151,171 increase between the original budget and the final amended budget for general fund expenditures. The primary cause for this is a \$105,000 increase in appropriations for professional peer review of building permits for the Real Soccer Stadium. The review will be funded by building permit revenue. An increase in appropriations for selective enforcement by our police department (\$78,000) will be funded with a combination of court fine revenue (\$47,673) and fund balance (\$30,000).

Other changes within the general fund using the general fund contingency include \$65,873 for the school district feasibility study, \$25,000 to establish an emergency fund to help pay qualifying expenses for cleanup of private residential property damage caused by neighborhood emergencies, and an \$800 donation to the American Legion for the Sub-for-Santa program. The City also transferred \$1,502 from the general fund to the capital projects fund to assist with the storage facility which will be shared by the police and community events departments.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2007 amounts to land, improvements other than buildings, machinery and equipment, autos and trucks, infrastructure (roadway system), street light system, and storm drain system. The net increase in the City's investment in capital assets for fiscal year 2007 was \$9,395,827 (a 2.0 percent increase for governmental activities and a 2.5 percent increase for business-type activities).

Major capital asset events during fiscal year 2007 included the following:

- The City added \$3,253,316 in road improvements.
- A storage building (\$831,436) to be shared by the police and community events departments was finished.
- Park improvements completed during fiscal year 2007 amounted to \$1,305,541. Among the improvements are \$296,191 for the Dry Creek Restoration project to enhance the wetlands in the promenade, \$216,360 for development of a park near the City's amphitheater, improvements at Flat Iron Mesa Park to add 50 stalls to the upper parking lot (\$146,016) and upgrade the irrigation system (\$184,572), and replacement of the existing restrooms at Bluth Park.
- The Public Utilities department completed storm drain improvements for the Hillsboro and 1300 East projects (\$819,901).
- Additionally, the City's governmental funds' new construction in progress (\$7,075,772) includes \$1,227,914 for the Fire Station # 32 rebuild project, \$1,351,391 for construction of the eight-acre park at the Quarry Bend development, \$2,849,660 for the 8000 South storm drain trunk line and

lateral lines, and \$685,285 to build the Quarry Bend detention pond to accommodate development in the area.

- The Public Utilities department capitalized \$1,966,710 of water main replacements.
- The water fund contributed \$2,148,515 in new construction in progress, including \$2,008,387 for the Granite tank replacement, which will increase the tank's capacity from 1.5 million gallons to 10 million gallons.
- River Oaks Golf Course capitalized \$457,067 for improvements to supply higher quality water to the golf course.

SANDY CITY
Capital Assets, Net of Depreciation
June 30, 2007

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Land	\$ 196,572,868	\$ 195,214,053	\$ 6,562,735	\$ 6,562,735	\$ 203,135,603	\$ 201,776,788
Buildings and Systems	50,518,811	49,266,215	54,721,998	55,171,820	105,240,809	104,438,035
Improvement Other Than Buildings	9,370,249	9,269,189	1,328,325	1,480,351	10,698,574	10,749,540
Vehicles	4,832,009	5,079,758	350,466	63,871	5,182,475	5,143,629
Machinery and Equipment	2,146,239	2,326,053	139,467	130,540	2,285,706	2,456,593
Infrastructure	116,909,683	117,316,034	-0-	-0-	116,909,683	117,316,034
Construction in Progress	8,702,848	2,786,970	2,250,656	342,938	10,953,504	3,129,908
Total	\$ 389,052,707	\$ 381,258,272	\$ 65,353,647	\$ 63,752,255	\$ 454,406,354	\$ 445,010,527

The City did not record its roadway system infrastructure as part of the general fixed asset account group before July 1, 2002, but did record storm water and street light systems infrastructure in the appropriate funds at historical cost less depreciation. With the implementation of GASB Statement No. 34, Sandy City implemented the modified approach to account for roadway system infrastructure. Because many infrastructure assets may reasonably be expected to continue to function indefinitely if they are adequately preserved and maintained, GAAP allow a government to forego reporting depreciation in connection with networks or subsystems of infrastructure assets. A government choosing this option must commit to maintain those particular infrastructure assets at a predetermined condition level of its own choosing and must establish an asset management system that is adequate for that purpose. Sandy City has established a policy to maintain at least 80 percent of its roadway system at a good or better condition and have no more than 10 percent in a substandard condition. For the fiscal year ending June 30, 2007, the City has exceeded this goal for each of the three subsystems of the roadway network (arterials, collectors, and secondary) with 90.8 percent of the overall roadway network being in good or better condition and only 0.4 percent in substandard condition. This is a 3 percent increase from those in good or better condition at the end of fiscal year 2006 (88.1 percent) and a 43 percent decrease from those in substandard condition for the fiscal year ending June 30, 2006 (0.7 percent). Because the most significant changes occurred in the City's secondary roadway subsystem (5 percent increase in good or better condition and 45 percent decrease in substandard condition), which costs less to maintain than the other roadway subsystems, actual expenditures (\$5,094,370) were \$1,109,141 less than the predicted needs (\$6,203,511). More detailed information on this subject can be found in note 1 on page 52 of the notes to the financial statements and in the Required Supplementary Information section on page 81.

Additional information on the City's capital assets can be found in note 11 of the notes to the financial statements on pages 62-64 of this report.

Long-term debt. At the end of fiscal year 2007, the City had total long-term obligations outstanding of \$64,899,024. Of this amount, \$3,050,000 comprises debt backed by the full faith and credit of the government and \$1,844,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City's bonded debt (\$40,700,000) represents bonds secured solely by specified revenue sources (i.e. revenue bonds). The City's long-term obligations outstanding also include notes payable, long-term contracts payable, capital leases, and compensated absences totaling \$19,305,024.

SANDY CITY
Outstanding Debt
As of June 30, 2007

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 3,050,000	\$ 3,650,000	\$ -0-	\$ -0-	\$ 3,050,000	\$ 3,650,000
Special assessment debt with governmental commitment	1,844,000	5,363,000	-0-	-0-	1,844,000	5,363,000
Revenue bonds	28,305,000	30,740,000	12,395,000	13,315,000	40,700,000	44,055,000
Total bonds payable	33,199,000	39,753,000	12,395,000	13,315,000	45,594,000	53,068,000
Notes payable	1,595,000	1,720,000	-0-	-0-	1,595,000	1,720,000
Equipment lease	-0-	89,812	-0-	-0-	-	89,812
Compensated absences	2,533,134	2,356,798	-0-	-0-	2,533,134	2,356,798
Long-Term Contract Payable	1,509,760	2,013,014	13,667,130	13,722,120	15,176,890	15,735,134
Total other debt	5,637,894	6,179,624	13,667,130	13,722,120	19,305,024	19,901,744
Total outstanding debt	\$ 38,836,894	\$ 45,932,624	\$ 26,062,130	\$ 27,037,120	\$ 64,899,024	\$ 72,969,744

The City's total long-term debt decreased \$8,070,720 (11.1 percent) during fiscal year 2007. Significant events that contributed to this change are:

- The City retired \$4,996,056 of debt with regularly scheduled payments including the final payment on the Equipment Purchase Lease.
- The 2002A Parking Facility bond was fully retired (\$3,251,000) after the City sold the related property.

The City maintains a "AA" rating from Standard and Poor's for its sales tax revenue bonds and its general obligation bond because of the City's strong historical and projected unrestricted financial reserves, a very low debt level that is not expected to grow substantially, and a stable and affluent residential community that fully participated in the Salt Lake City metropolitan area. Standard and Poor's has rated the water revenue and refunding bonds "AA-".

Utah state statute limits the amount of general obligation debt a governmental entity may issue to 8 percent of the "reasonable fair cash value" of property. Of this percentage, a maximum of 4 percent may

be used for general purposes. The remaining 4 percent and any unused portion of the 4 percent available for general purposes up to the maximum 8 percent may be utilized for water and/or sewer purposes. The current debt limitation for the City's general-purpose debt is \$293,964,135 and \$587,928,269 for the City as a whole. This limitation is significantly in excess of the City's outstanding general obligation debt (\$3,050,000).

Additional information on the City's long-term debt can be found in note 12 on pages 65-70 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for fiscal year 2007:

- The City continues to experience healthy growth aided by an infusion of many new and diverse residential, commercial, and retail developments.
- The unemployment rate for the City was 1.8 percent in June 2007. The unemployment rate for the state of Utah was 2.8 percent in October 2007, the third lowest in the country and much lower than the national unemployment rate of 4.7 percent for the same time period.
- Sandy City continues to attract and maintain its commercial tax base through incentive strategies, legislative initiatives, and continued support from the existing business community.

As general fund balance increased \$803,155 during fiscal year 2007, the City expects to contribute \$236,813 during fiscal year 2008 to soften unanticipated needs and provide additional financial security and strength to the City as a whole. This will increase cash reserves to 12.5 percent of general fund revenue.

The tax on telecommunications services (franchise tax) will decrease from 4.0 percent to 3.5 percent in fiscal year 2008. The City expects this to cause a corresponding \$99,555 (5.3 percent) decrease in franchise tax revenue from telecommunications.

In keeping with the master plan, the fiscal year 2008 budget includes the recommended annual 6.5 percent water rate increase in order to meet escalating demand on the City's culinary water system. This is the seventh year in a ten-year schedule of annual increases. Additionally, hydrant meter repair fees and hydrant water rates as well as late, collection, construction water and various customer requested meter service fees increased minimally to cover costs. A meter and equipment tamper fee of \$50 plus the cost of parts was implemented. The fluoride fee decreased from \$1.35 to \$0.80 per month because the capital costs of introducing fluoride into our culinary water system have now been covered.

Monthly waste collection fees increased 2.4 percent to compensate for the consumer price index adjustment in our contract with Waste Management.

Certain development fees were increased to cover rising costs. These fees include development review fees for storm water and planning as well as park impact fees, which reflects a 20 percent rising construction cost increase. Utility marking at signalized intersections on road cut permits as well as street sign fees increased to cover actual costs. After remaining static for three years, fire inspection fees increased this year for inflation.

The City based business license increases on a preliminary study conducted during fiscal year 2007. They include some home occupation licensing fee increases and \$10 per year increases for contractors without commercial office licenses. A new fee for general and sub-contractors with commercial office licenses was implemented (\$70 and \$60 per year respectively). The initial application processing fee also increased \$5.

Season tickets for community events are gradually increasing to bring ticket prices more in line with market levels and allow event revenue to better cover direct costs. Various recreation program fees have increased for traditional recreation programs and those at Alta Canyon Sports Center to keep up with the costs of providing services, stay competitive with other facilities in the area, and to be more consistent across programs. Park reservation fees also increased to cover rising costs for facilities, wages, utilities, and supplies. The fourth of July booth deposit was eliminated.

Requests for Information

This financial report is designed to provide a general overview of Sandy City's finances for everyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sandy City Finance Department, 10000 Centennial Parkway, Sandy, Utah 84070.

BASIC FINANCIAL STATEMENTS

SANDY CITY**Statement of Net Assets****June 30, 2007****With Comparative Totals for 2006**

	Primary Government			Comparative Total - 2006
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Cash and Cash Equivalents	\$ 43,469,152	\$ 17,599,737	\$ 61,068,889	\$ 55,842,237
Receivables - Net	14,264,225	4,104,290	18,368,515	20,925,459
Intergovernmental Receivable	1,694,038	48,208	1,742,246	1,850,414
Internal Balances	(773,523)	773,523	-0-	-0-
Inventories	58,095	516,035	574,130	587,347
Prepaid Assets	177,627	555	178,182	207,570
Deferred Charges	475,665	315,744	791,409	942,585
Temporarily Restricted Cash:				
Road Funds	309,917	-0-	309,917	474,255
Capital Projects	4,117,807	-0-	4,117,807	5,455,527
Debt Service	979,700	-0-	979,700	1,420,600
Water Rights & Capacity	-0-	29,568,031	29,568,031	29,375,399
Investment in Joint Venture	-0-	5,726,702	5,726,702	5,066,142
Capital Assets (Net of Accumulated Depreciation)				
Land	196,572,868	6,562,735	203,135,603	201,776,788
Buildings and Systems	50,518,811	54,721,998	105,240,809	104,438,035
Improvements Other Than Buildings	9,370,249	1,328,325	10,698,574	10,749,540
Vehicles	4,832,009	350,466	5,182,475	5,143,629
Machinery and Equipment	2,146,239	139,467	2,285,706	2,456,593
Infrastructure	116,909,683	-0-	116,909,683	117,316,034
Construction in Progress	8,702,848	2,250,656	10,953,504	3,129,908
Total Assets	<u>\$ 453,825,410</u>	<u>\$ 124,006,472</u>	<u>\$ 577,831,882</u>	<u>\$ 567,158,062</u>

The accompanying notes are an integral part of this financial statement

	Primary Government			
	Governmental	Business-Type		Comparative
	Activities	Activities	Total	Total - 2006
<u>LIABILITIES:</u>				
Accounts Payable	\$ 2,462,580	\$ 1,422,138	\$ 3,884,718	\$ 3,408,489
Salaries & Benefits Payable	2,177,399	236,549	2,413,948	1,823,685
Accrued Interest Payable	393,798	96,862	490,660	555,607
Unamortized Interest Payable	-0-	26,533	26,533	36,065
Claims & Judgements Payable	436,881	-0-	436,881	662,111
Intergovernmental Payable	119,748	14,382	134,130	105,064
Unearned Revenue	7,696,664	423,698	8,120,362	7,992,607
Deferred Assessments	1,641,000	-0-	1,641,000	5,166,000
Customer Deposits	3,510,875	415,756	3,926,631	3,525,415
Noncurrent Liabilities:				
Compensated Absences	2,533,134	-0-	2,533,134	2,356,798
Bonds, Notes, Leases and Other Payable:				
Due within One Year	4,015,253	1,004,220	5,019,473	5,407,054
Due in More Than One Year	32,288,507	25,057,910	57,346,417	65,205,890
Total Liabilities	57,275,839	28,698,048	85,973,887	96,244,785
<u>NET ASSETS:</u>				
Invested In Capital Assets, Net of Related Debt	352,748,948	39,324,204	392,073,152	374,416,509
Restricted For:				
General Fund	177,627	-0-	177,627	-0-
Debt service	979,700	-0-	979,700	1,420,600
Capital Projects	4,117,807	-0-	4,117,807	3,751,658
Road Funds	309,917	-0-	309,917	474,255
Unrestricted	38,215,572	55,984,220	94,199,792	90,850,255
Total Net Assets	\$ 396,549,571	\$ 95,308,424	\$ 491,857,995	\$ 470,913,277

SANDY CITY
Statement of Activities
For the Year Ended June 30, 2007
With Comparative Totals for the Year Ended 2006

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 6,867,682	\$ 31,406	\$ -0-	\$ -0-
Police & Animal Control	12,006,296	3,552,617	136,291	246,661
Fire	6,706,058	1,941,523	36,049	-0-
Public Works	7,755,946	651,629	3,183,289	3,444,994
Parks, Landscapes and Cemetery	4,510,115	679,021	13,748	340,836
Community Development	2,410,950	2,935,698	502,627	-0-
Economic Development	1,773,179	4,592,366	-0-	-0-
Recreation and Cultural Events	1,608,880	1,026,208	36,883	-0-
Electric Utility	957,904	35,609	-0-	-0-
Storm Water Utility	1,997,000	3,436,837	-0-	-0-
Interest on Long-Term Debt	1,855,689	-0-	-0-	-0-
Total Governmental Activities	48,449,699	18,882,914	3,908,887	4,032,491
Business-Type Activities:				
Alta Canyon Sports Center	1,114,365	697,636	-0-	-0-
Water	17,219,050	20,293,651	-0-	-0-
Waste	3,663,177	4,441,427	-0-	-0-
Golf Course	1,363,593	1,413,436	-0-	-0-
Total Business-Type Activities	23,360,185	26,846,150	-0-	-0-
Total Primary Government	\$ 71,809,884	\$ 45,729,064	\$ 3,908,887	\$ 4,032,491

General Revenues:

Property Taxes

Sales Taxes

Franchise Taxes

Motor Vehicle Taxes

Interest Income

Sundry Revenue

Transfers

Total General Revenues and Transfers

Change in Net Assets

Beginning Net Assets

Ending Net Assets

The accompanying notes are an integral part of this financial statement

Net (Expenses) Revenues and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Comparative Total - 2006
\$ (6,836,276)	\$ -0-	\$ (6,836,276)	\$ (6,590,883)
(8,070,727)	-0-	(8,070,727)	(8,249,005)
(4,728,486)	-0-	(4,728,486)	(4,698,807)
(476,034)	-0-	(476,034)	2,257,270
(3,476,510)	-0-	(3,476,510)	(3,300,277)
1,027,375	-0-	1,027,375	903,447
2,819,187	-0-	2,819,187	1,895,909
(545,789)	-0-	(545,789)	(795,504)
(922,295)	-0-	(922,295)	(885,722)
1,439,837	-0-	1,439,837	(285,496)
(1,855,689)	-0-	(1,855,689)	(2,127,833)
(21,625,407)	-0-	(21,625,407)	(21,876,901)
-0-	(416,729)	(416,729)	(477,970)
-0-	3,074,601	3,074,601	3,187,379
-0-	778,250	778,250	(84,384)
-0-	49,843	49,843	627,339
-0-	3,485,965	3,485,965	3,252,364
(21,625,407)	3,485,965	(18,139,442)	(18,624,537)
7,455,228	354,469	7,809,697	7,641,786
19,286,918	-0-	19,286,918	17,681,709
7,091,234	-0-	7,091,234	6,600,373
824,486	50,017	874,503	864,041
2,104,210	943,093	3,047,303	2,137,935
974,505	-0-	974,505	2,898,765
(150,000)	150,000	-0-	-0-
37,586,581	1,497,579	39,084,160	37,824,609
15,961,174	4,983,544	20,944,718	19,200,072
380,588,397	90,324,880	470,913,277	451,713,205
\$ 396,549,571	\$ 95,308,424	\$ 491,857,995	\$ 470,913,277

SANDY CITY
Balance Sheet
Governmental Funds
June 30, 2007
With Comparative Totals for 2006

	General Fund	Storm Water	Debt Service	Capital Projects	Other Governmental Funds	Governmental Funds	
						Total	Comparative 2006
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$ 6,739,614	\$ 3,440,820	\$ 2,211,350	\$ 14,013,884	\$ 5,919,743	\$ 32,325,411	\$ 29,769,554
Receivables - Net	10,876,385	261,095	1,989,409	(500)	3,575	13,129,964	16,250,720
Due from other Govt. Units	975,200	26,248	-0-	566,333	126,257	1,694,038	1,473,655
Due From Other Funds	-0-	-0-	-0-	-0-	9,969	9,969	177,566
Prepaid Assets	177,627	-0-	-0-	-0-	-0-	177,627	207,570
Temporarily Restricted Cash:							
Road Funds	-0-	-0-	-0-	309,917	-0-	309,917	474,255
Capital Projects	-0-	-0-	-0-	4,117,807	-0-	4,117,807	5,455,527
Debt Service	-0-	-0-	979,700	-0-	-0-	979,700	1,420,600
Total Assets	18,768,826	3,728,163	5,180,459	19,007,441	6,059,544	52,744,433	55,229,447
<u>LIABILITIES AND FUND BALANCES:</u>							
Accounts Payable	575,242	42,385	-0-	1,435,846	246,485	2,299,958	1,926,428
Salaries & Benefits Payable	1,943,212	44,521	-0-	-0-	87,443	2,075,176	1,523,939
Due to Other Govt. Units	97,637	-0-	-0-	-0-	22,111	119,748	98,146
Due to Other Funds	-0-	-0-	-0-	-0-	9,969	9,969	177,566
Deferred Revenue	6,980,229	-0-	1,972,361	-0-	-0-	8,952,590	12,361,473
Deposits	3,472,264	30,611	-0-	-0-	8,000	3,510,875	3,278,527
Total Liabilities	13,068,584	117,517	1,972,361	1,435,846	374,008	16,968,316	19,366,079
Fund Balance							
Reserved for:							
General Fund	177,627	-0-	-0-	-0-	-0-	177,627	-0-
Debt Service	-0-	-0-	979,700	-0-	-0-	979,700	1,420,600
Capital Projects	-0-	-0-	-0-	4,117,807	-0-	4,117,807	3,751,658
Roads	-0-	-0-	-0-	309,917	-0-	309,917	474,255
Unreserved Fund Balances							
General Fund	5,522,615	-0-	-0-	-0-	-0-	5,522,615	4,897,087
Special Revenue Fund	-0-	3,610,646	-0-	-0-	5,685,536	9,296,182	10,932,860
Debt Service Fund	-0-	-0-	2,228,398	-0-	-0-	2,228,398	1,510,146
Capital Projects Fund	-0-	-0-	-0-	13,143,871	-0-	13,143,871	12,876,762
Total Fund Balances	5,700,242	3,610,646	3,208,098	17,571,595	5,685,536	35,776,117	35,863,368
Total Liabilities and Fund Balances	\$ 18,768,826	\$ 3,728,163	\$ 5,180,459	\$ 19,007,441	\$ 6,059,544	\$ 52,744,433	\$ 55,229,447

The accompanying notes are an integral part of this financial statement

SANDY CITY

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets June 30, 2007

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Total Fund Balances for Governmental Funds (page 38)		\$ 35,776,117
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	196,572,868	
Buildings and Systems	50,518,811	
Improvements Other Than Buildings	9,354,907	
Vehicles	3,307	
Machinery and Equipment	700,138	
Infrastructure	116,909,683	
Construction in Progress	8,425,070	
Total Capital Assets		382,484,784
Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as receivables.		
		750,881
A portion of the excess revenue collected by the internal service funds must be returned to the business-type activities.		
		(773,523)
Internal services funds are used by the City to charge the costs of the fleet operations, information services, insurance, risk management, equipment and employee benefits. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		
		15,525,828
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather as an expenditure when due. All liabilities - both current and long-term are reported in the statement of net assets.		
Accrued Interest Payable	(393,798)	
Unamortized Bond Issuance Costs	475,665	
Bonds, Notes and Leases Payable - Current	(4,015,253)	
Bonds, Notes and Leases Payable - Noncurrent	(32,288,507)	
Compensated Absences - Noncurrent	(992,623)	
		(37,214,516)
Net Assets of Governmental Activities (page 35)		\$ 396,549,571

The accompanying notes are an integral part of this financial statement

SANDY CITY

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2007

With Comparative Totals for the Year Ended 2006

	General Fund	Storm Water	Debt Service	Capital Projects	Other Governmental Funds	Governmental Funds	
						Total	Comparative Total - 2006
Revenues:							
Taxes	\$ 34,387,924	\$ -0-	\$ 287,482	\$ -0-	\$ 4,592,366	\$ 39,267,772	\$ 36,872,673
Special Assessments	-0-	-0-	344,658	-0-	700	345,358	904,929
Innkeeper Fees	-0-	-0-	268,062	-0-	-0-	268,062	231,569
Licenses & Permits	2,748,928	-0-	-0-	-0-	-0-	2,748,928	2,571,942
Inter-Governmental Revenue	3,434,697	-0-	-0-	1,360,886	546,425	5,342,008	5,202,115
Charges for Services	2,142,165	2,915,731	290,551	-0-	636,732	5,985,179	5,653,216
Administrative Charges	1,705,077	-0-	-0-	-0-	-0-	1,705,077	1,520,720
Fines & Forfeitures	2,874,777	-0-	-0-	195,787	-0-	3,070,564	2,615,913
Cell Tower Lease	123,977	-0-	-0-	-0-	-0-	123,977	160,432
Fees from Developers	-0-	487,886	113,358	796,795	-0-	1,398,039	2,069,176
Interest Income	472,296	257,282	135,226	776,225	463,192	2,104,221	1,472,455
Miscellaneous Revenues	30,685	1,348	-0-	3,551	774,282	809,866	2,132,228
Total Revenues	47,920,526	3,662,247	1,439,337	3,133,244	7,013,697	63,169,051	61,407,368
Expenditures:							
Current							
General Government	8,257,136	-0-	-0-	-0-	23,398	8,280,534	8,019,303
Police & Animal Control	12,062,622	-0-	-0-	-0-	244,323	12,306,945	12,109,074
Fire	6,846,357	-0-	-0-	-0-	43,416	6,889,773	6,734,250
Public Works	5,310,949	-0-	-0-	-0-	520	5,311,469	5,111,617
Parks, Landscapes and Cemetery	3,293,206	-0-	-0-	-0-	18,260	3,311,466	2,899,421
Community Development	2,135,668	-0-	-0-	-0-	264,696	2,400,364	2,293,498
Economic Development	-0-	-0-	-0-	-0-	1,775,785	1,775,785	2,505,894
Recreation and Cultural Events	-0-	-0-	-0-	-0-	1,936,972	1,936,972	1,514,284
Electric Utility	-0-	-0-	-0-	-0-	643,278	643,278	627,597
Storm Water Utility	-0-	1,284,352	-0-	-0-	-0-	1,284,352	1,097,871
Capital Outlays:							
Public Works	-0-	-0-	-0-	8,475,804	-0-	8,475,804	5,491,723
Electric Utility	-0-	-0-	-0-	-0-	379,181	379,181	141,287
Storm Water Utility	-0-	4,226,935	-0-	-0-	-0-	4,226,935	2,533,636
Other Capital Outlays	-0-	-0-	12,896	-0-	-0-	12,896	-0-
Debt Service							
Principal	-0-	-0-	3,931,253	-0-	-0-	3,931,253	5,428,253
Interest on Long-Term Debt	-0-	-0-	1,909,478	-0-	-0-	1,909,478	2,120,693
Bond Issuance Cost and Trustee Fees	-0-	-0-	15,988	-0-	-0-	15,988	76,540
Total Expenditures	37,905,938	5,511,287	5,869,615	8,475,804	5,329,829	63,092,473	58,704,941
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,014,588	(1,849,040)	(4,430,278)	(5,342,560)	1,683,868	76,578	2,702,427
Other Financing Sources (Uses):							
Issuance of Debt	-0-	-0-	-0-	-0-	-0-	-0-	3,650,000
Bond Premium	-0-	-0-	-0-	-0-	-0-	-0-	90,798
Redemption of Refunded Bonds	-0-	-0-	(3,251,000)	-0-	-0-	(3,251,000)	(3,670,000)
Sale of Capital Assets	26,192	31,872	2,909,259	-0-	-0-	2,967,323	104,975
Transfers In	40,000	40,000	6,037,892	6,111,480	1,292,018	13,521,390	12,085,439
Transfers Out	(9,277,625)	(924,596)	(988,521)	(300,000)	(2,080,648)	(13,571,390)	(12,235,439)
Total Other Financing Sources (Uses)	(9,211,433)	(852,724)	4,707,630	5,811,480	(788,630)	(333,677)	25,773
Net Change in Fund Balances	803,155	(2,701,764)	277,352	468,920	895,238	(257,099)	2,728,200
Beginning Fund Balances	4,897,087	6,312,410	2,930,746	17,102,675	4,790,298	36,033,216	33,135,168
Ending Fund Balances	\$ 5,700,242	\$ 3,610,646	\$ 3,208,098	\$ 17,571,595	\$ 5,685,536	\$ 35,776,117	\$ 35,863,368

The accompanying notes are an integral part of this financial statement

SANDY CITY

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2007

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental (page 40)	\$ (257,099)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	8,195,145
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	44,302
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	133,868
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	7,182,254
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	53,850
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Internal service funds are used by the City to charge the costs of various activities to individual funds. A portion of the internal service funds net revenues is reported with governmental activities.	608,854
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Change in Net Assets of Governmental Activities (page 37)	<u>\$ 15,961,174</u>
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The accompanying notes are an integral part of this financial statement

SANDY CITY**General Fund****Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Taxes:				
General Property Taxes	\$ 7,050,800	\$ 7,050,800	\$ 7,185,286	\$ 134,486
General Sales & Use Taxes	17,624,000	17,624,000	19,286,918	1,662,918
Franchise Taxes	6,745,666	6,745,666	7,091,234	345,568
Motor Vehicle Fee	724,900	724,900	824,486	99,586
Total Taxes	32,145,366	32,145,366	34,387,924	2,242,558
Licenses & Permits	1,951,000	2,056,000	2,748,928	692,928
Inter-Governmental Revenue	2,925,033	2,925,033	3,434,697	509,664
Charges for Services	1,805,500	1,805,500	2,142,165	336,665
Administrative Charges	1,705,077	1,705,077	1,705,077	-0-
Fines & Forfeitures	2,400,100	2,447,773	2,874,777	427,004
Cell Tower Lease	124,892	124,892	123,977	(915)
Interest Income	221,291	221,291	472,296	251,005
Miscellaneous Revenues	18,800	18,800	30,685	11,885
Total Revenues	43,297,059	43,449,732	47,920,526	4,470,794
Expenditures:				
General Government:				
Mayor	493,353	493,353	492,041	1,312
City Administrator	2,233,915	2,233,915	2,134,278	99,637
City Council	546,618	546,618	481,795	64,823
City Attorney	1,131,805	1,131,805	1,131,805	-0-
Court Services	1,224,434	1,224,434	1,223,704	730
Administrative Services	1,685,714	1,685,714	1,617,379	68,335
Non-Departmental	1,240,652	1,392,525	1,176,133	216,392
Total General Government	8,556,491	8,708,364	8,257,135	451,229
Public Safety:				
Police & Animal Control	12,099,189	12,097,687	12,062,623	35,064
Fire	6,853,323	6,853,323	6,846,357	6,966
Total Public Safety	18,952,512	18,951,010	18,908,980	42,030
Public Works	5,902,582	5,902,582	5,310,949	591,633
Parks and Cemetery	3,334,425	3,335,225	3,293,206	42,019
Community Development	2,135,867	2,135,867	2,135,668	199
Total Expenditures	38,881,877	39,033,048	37,905,938	1,127,110
Excess of Revenues Over Expenditures	4,415,182	4,416,684	10,014,588	5,597,904
Other Financing Sources (Uses):				
Sale of Capital Assets	-0-	-0-	26,192	26,192
Transfers In	40,000	40,000	40,000	-0-
Transfers Out	(4,110,651)	(4,112,153)	(9,277,625)	(5,165,472)
Total Other Financing Sources (Uses)	(4,070,651)	(4,072,153)	(9,211,433)	(5,139,280)
Net Change in Fund Balances	344,531	344,531	803,155	458,624
Beginning Fund Balances	4,897,087	4,897,087	4,897,087	-0-
Ending Fund Balances	\$ 5,241,618	\$ 5,241,618	\$ 5,700,242	\$ 458,624

The accompanying notes are an integral part of this financial statement

SANDY CITY

Storm Water Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues:				
Charges for Sales & Services	\$ 2,870,257	\$ 2,870,257	\$ 2,915,731	\$ 45,474
Contributions from Developers	450,000	450,000	487,886	37,886
Interest Income	150,000	150,000	257,282	107,282
Miscellaneous Revenues	-0-	-0-	1,348	1,348
Total Revenues	3,470,257	3,470,257	3,662,247	191,990
Expenditures:				
Salaries and Benefits	626,487	626,487	600,681	25,806
Materials & Supplies	158,334	158,334	118,296	40,038
Contracted Services	141,555	141,555	108,389	33,166
Internal Charges	1,155,842	1,155,842	397,248	758,594
Administrative Charges	48,883	48,883	48,883	-0-
Cost of Goods Sold	11,355	11,355	10,855	500
Capital Outlays	5,377,337	6,376,456	4,226,935	2,149,521
Total Expenditures	7,519,793	8,518,912	5,511,287	3,007,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,049,536)	(5,048,655)	(1,849,040)	3,199,615
Other Financing Sources (Uses):				
Sale of Capital Assets	30,500	30,500	31,872	1,372
Transfers In	40,000	40,000	40,000	-0-
Transfers Out	(924,596)	(924,596)	(924,596)	-0-
Total Other Financing Sources (Uses)	(854,096)	(854,096)	(852,724)	1,372
Net Change in Fund Balances	(4,903,632)	(5,902,751)	(2,701,764)	3,200,987
Beginning Fund Balances	6,312,410	6,312,410	6,312,410	-0-
Ending Fund Balances	\$ 1,408,778	\$ 409,659	\$ 3,610,646	\$ 3,200,987

The accompanying notes are an integral part of this financial statement

SANDY CITY
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
ASSETS:						
Current Assets:						
Cash and Cash Equivalents	\$ 248,901	\$ 16,465,195	\$ 781,782	\$ 103,859	\$ 17,599,737	\$ 11,143,741
Receivables - Net	351,540	3,386,993	342,265	23,492	4,104,290	383,380
Due from other Govt. Units	-0-	48,208	-0-	-0-	48,208	-0-
Prepaid Assets	-0-	555	-0-	-0-	555	-0-
Deferred Charges	-0-	315,744	-0-	-0-	315,744	-0-
Inventories	-0-	387,019	-0-	129,016	516,035	58,095
Total Current Assets	600,441	20,603,714	1,124,047	256,367	22,584,569	11,585,216
Noncurrent Assets:						
Investment In:						
Water Stock, Rights, and Capacity	-0-	29,568,031	-0-	-0-	29,568,031	-0-
Joint Venture	-0-	-0-	5,726,702	-0-	5,726,702	-0-
Capital Assets						
Land, Building, Plant, and Equipment	4,627,127	99,077,483	-0-	5,431,210	109,135,820	20,795,773
Accumulated Depreciation	(3,417,341)	(42,531,076)	-0-	(84,411)	(46,032,828)	(14,505,628)
Construction in Progress	-0-	2,243,949	-0-	6,706	2,250,655	277,779
Total Capital Assets	1,209,786	58,790,356	-0-	5,353,505	65,353,647	6,567,924
Total Noncurrent Assets	1,209,786	88,358,387	5,726,702	5,353,505	100,648,380	6,567,924
Total Assets	1,810,227	108,962,101	6,850,749	5,609,872	123,232,949	18,153,140
LIABILITIES:						
Current Liabilities:						
Accounts Payable	17,538	1,061,915	278,979	63,706	1,422,138	162,622
Salaries & Benefits Payable	55,085	149,178	7,109	25,177	236,549	102,223
Accrued Interest Payable	-0-	43,270	-0-	53,592	96,862	-0-
Due to Other Govt. Units	(281)	-0-	-0-	14,663	14,382	436,882
Deferred/Unearned Income	423,698	-0-	-0-	-0-	423,698	385,074
Deposits	19,000	376,231	-0-	20,525	415,756	-0-
Bonds Payable	-0-	775,000	-0-	170,000	945,000	-0-
Other Payables	-0-	59,220	-0-	-0-	59,220	-0-
Total Current Liabilities	515,040	2,464,814	286,088	347,663	3,613,605	1,086,801
Noncurrent Liabilities						
Compensated Absences	-0-	-0-	-0-	-0-	-0-	1,540,511
Bonds Payable	-0-	7,754,117	-0-	3,722,416	11,476,533	-0-
Notes Payable	-0-	13,607,910	-0-	-0-	13,607,910	-0-
Total Noncurrent Liabilities:	-0-	21,362,027	-0-	3,722,416	25,084,443	1,540,511
Total Liabilities	515,040	23,826,841	286,088	4,070,079	28,698,048	2,627,312
NET ASSETS:						
Invested In Capital Assets, Net of Related Debt	1,209,786	36,653,329	-0-	1,461,089	39,324,204	6,567,924
Unrestricted	85,401	48,481,931	6,564,661	78,704	55,210,697	8,957,904
Total Net Assets	\$ 1,295,187	\$ 85,135,260	\$ 6,564,661	\$ 1,539,793	94,534,901	\$ 15,525,828
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					773,523	
Net assets of business-type activities (page 35)					\$ 95,308,424	

The accompanying notes are an integral part of this financial statement

SANDY CITY

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2007

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
Operating Revenues:						
Charges for Sales & Services	\$ 652,676	\$ 18,840,826	\$ 3,780,868	\$ 1,408,606	\$ 24,682,976	\$ 6,404,790
Fees from Developers	-0-	710,283	-0-	-0-	710,283	-0-
Miscellaneous Revenues	-0-	-0-	-0-	-0-	-0-	153,412
Total Operating Revenues	652,676	19,551,109	3,780,868	1,408,606	25,393,259	6,558,202
Operating Expenses:						
Salaries and Benefits	643,452	1,681,487	180,344	449,926	2,955,209	1,947,293
Materials & Supplies	138,156	611,987	61,043	241,509	1,052,695	60,580
Contracted Services	57,886	317,273	-0-	46,035	421,194	667,063
Internal Charges	31,286	486,381	33,882	169,827	721,376	28,328
Administrative Charges	61,295	787,895	246,372	36,686	1,132,248	325,222
Cost of Goods Sold	37,560	4,232,120	3,131,419	211,493	7,612,592	1,111,610
Non-Capital Improvements	30,401	5,072,460	10,300	-0-	5,113,161	711,044
Depreciation	121,945	3,201,739	-0-	32,441	3,356,125	1,804,615
Total Operating Expenses	1,121,981	16,391,342	3,663,360	1,187,917	22,364,600	6,655,755
Operating Income (Loss)	(469,305)	3,159,767	117,508	220,689	3,028,659	(97,553)
Nonoperating Revenues (Expenses):						
Property Taxes	404,486	-0-	-0-	-0-	404,486	382,065
Inter-Governmental Revenue	-0-	338,043	-0-	-0-	338,043	148,084
Interest Income	5,597	886,535	38,938	12,023	943,093	522,168
Cell Tower Lease	44,967	226,669	-0-	-0-	271,636	-0-
Contributions from Developers	-0-	103,705	-0-	-0-	103,705	-0-
Equity Earnings from Joint Venture	-0-	-0-	660,560	-0-	660,560	-0-
Other Income (Expense)	(7)	25,468	-0-	(2,000)	23,461	-0-
Gain (Loss) on Disposal of Asset	-0-	46,658	-0-	4,830	51,488	15,866
Bond Interest Expense	-0-	(1,064,329)	-0-	(186,614)	(1,250,943)	(2,418)
Total Nonoperating Revenues (Expenses):	455,043	562,749	699,498	(171,761)	1,545,529	1,065,765
Income (Loss) Before Transfers	(14,262)	3,722,516	817,006	48,928	4,574,188	968,212
Transfers:						
Transfers In	-0-	-0-	-0-	150,000	150,000	-0-
Transfers Out	-0-	-0-	-0-	-0-	-0-	(100,000)
Total Transfers	-0-	-0-	-0-	150,000	150,000	(100,000)
Change in Net Assets	(14,262)	3,722,516	817,006	198,928	4,724,188	868,212
Beginning Net Assets	1,309,449	81,412,744	5,747,655	1,340,865		14,657,616
Ending Net Assets	\$ 1,295,187	\$ 85,135,260	\$ 6,564,661	\$ 1,539,793		\$ 15,525,828
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					259,356	
Change in net assets of business-type activities (page 37)					\$ 4,983,544	

The accompanying notes are an integral part of this financial statement

SANDY CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

	Business - Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Alta Canyon Sports Center	Water	Waste	Golf	TOTALS	
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 643,886	\$ 19,351,582	\$ 3,766,806	\$ 1,396,118	\$ 25,158,392	\$ 6,527,503
Payments to Suppliers	(352,453)	(11,249,334)	(3,688,035)	(687,444)	(15,977,266)	(3,082,252)
Payments to Employees	(629,702)	(1,669,548)	(185,786)	(449,568)	(2,934,604)	(1,821,889)
Other Income	(8)	25,468	-0-	(2,000)	23,460	-0-
Net Cash Provided by (Used in) Operating Activities	(338,277)	6,458,168	(107,015)	257,106	6,269,982	1,623,362
Cash Flows from Noncapital Financing Activities:						
Tax Receipts	412,159	-0-	-0-	-0-	412,159	390,520
Transfers from Other Funds	-0-	-0-	-0-	150,000	150,000	(100,000)
Net Cash Provided from Noncapital Financing Activities	412,159	-0-	-0-	150,000	562,159	290,520
Cash Flows from Capital and Related Financing Activities:						
Acquisition of Capital Assets	-0-	(4,540,691)	-0-	(505,756)	(5,046,447)	(1,537,874)
Capital Grants and Contributions	-0-	590,085	-0-	-0-	590,085	224,593
Principal Paid on Revenue Bonds	-0-	(809,990)	-0-	(165,000)	(974,990)	(89,805)
Interest Paid on Revenue Bonds	-0-	(990,162)	-0-	(186,426)	(1,176,588)	(2,418)
Proceeds from Cell Tower Leases	44,967	226,669	-0-	-0-	271,636	-0-
Proceeds from Sale of Capital Assets	-0-	46,663	-0-	4,829	51,492	149,827
Net Cash Provided (Used) by Capital and Related Financing Activities	44,967	(5,477,426)	-0-	(852,353)	(6,284,812)	(1,255,677)
Cash Flows from Investing Activities:						
Interest Income Received	5,597	886,535	38,938	12,023	943,093	522,168
Net Increase (Decrease) in Cash and Cash Equivalents	124,446	1,867,277	(68,077)	(433,224)	1,490,422	1,180,373
Cash and Cash Equivalents - Beginning of Year	124,455	14,597,918	849,859	537,083	16,109,315	9,963,368
Cash and Cash Equivalents - End of Year	\$ 248,901	\$ 16,465,195	\$ 781,782	\$ 103,859	\$ 17,599,737	\$ 11,143,741
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (469,305)	\$ 3,159,767	\$ 117,508	\$ 220,689	\$ 3,028,659	\$ (97,553)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:						
Depreciation	121,945	3,201,739	-0-	32,441	3,356,125	1,804,615
Other Non-Operating Income	(8)	25,468	-0-	(2,000)	23,460	-0-
Increase (Decrease) Due to Changes in:						
Accounts Receivables	(4,283)	(365,640)	(14,062)	(15,260)	(399,245)	(30,699)
Inventories	-0-	2,812	-0-	5,489	8,301	4,916
Prepaid Assets	-0-	(555)	-0-	-0-	(555)	-0-
Accounts Payable	4,131	256,525	(205,019)	12,617	68,254	(183,321)
Salaries & Benefits Payable	13,750	11,939	(5,442)	358	20,605	125,404
Deferred Revenue	(4,490)	-0-	-0-	-0-	(4,490)	-0-
Customer Deposits	(17)	166,113	-0-	2,772	168,868	-0-
Net Cash Provided (Used) by Operating Activities	\$ (338,277)	\$ 6,458,168	\$ (107,015)	\$ 257,106	\$ 6,269,982	\$ 1,623,362
Noncash Investing, Capital, and Financing Activities:						
Contributions of Capital Assets From Developers	-0-	103,705	-0-	-0-	103,705	-0-
Increase in Investments in Joint Venture	-0-	-0-	660,560	-0-	660,560	-0-

The accompanying notes are an integral part of this financial statement

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City operates under the council-mayor optional form of government. The City Council, comprised of seven elected individuals, is the governing authority for the City. The elected Mayor, with no voting rights on the City Council, has various administrative and veto powers. The City Council establishes City policy, approves the budget, and ratifies the appointment of the City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

As required by Accounting Principles Generally Accepted in the United States of America, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Therefore, data from these units are combined with data of the primary government. Each blended unit has a June 30 year end.

Blended Component Unit

The Sandy Redevelopment Agency (the Agency) was legally created as authorized by the Utah Neighborhood Development Act. The City Council is designated by ordinance as the governing body of the Agency. Therefore, the Agency is part of the City's reporting entity because the City has accountability for all significant fiscal and operating matters. The agency is reported as a Nonmajor Governmental Fund.

The Alta Canyon Recreation Special Service District (the District) was legally created as authorized by the Utah Special Service District Act. The District is within the boundaries of the City and services the northeast quadrant (approximately one-fourth) of the City. The District's Advisory Board is comprised of seven elected individuals. The Advisory Board establishes District policy, appoints the District officials, advises the City with respect to collection and disbursement of funds, and is responsible for funding deficits. The District also has the following powers: to sue and be sued, eminent domain, to enter into contracts, and to acquire and construct facilities. Of equal importance, no tax may be levied and no bonds shall be issued unless authorized by a majority of the qualified voters of the District.

The City Council approves the District's budget, property tax rate, issuance of any long-term debt, and can, at its discretion, dissolve the District. The District provides services which almost exclusively benefit the City. As of January 1, 2003, the District requested the City to take over the management of its daily operations. The District is reported as a blended component unit in the Enterprise Section of the financial statements.

Investment in Joint Venture

The City is a partner with neighboring cities in a joint venture known as Trans-Jordan Cities. The purpose of this joint venture is to provide solid waste management and disposal services. Investment in this joint venture is accounted for using the equity method (see note 9).

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Related Organizations

The City also has activities with Metropolitan Water District of Salt Lake and Sandy (MWDSLs). City officials appoint members to the board of directors, but the City's accountability does not extend beyond making the appointments.

Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, interfund activity has been removed from these statements. Governmental activities, which are largely supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services for support.

The statement of activities demonstrates the degree to which the direct expenses for a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for the Governmental Funds, Proprietary Funds, and Internal Service Funds. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the basic financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. All Governmental Fund financial statements are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental Funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All Governmental Fund financial statements are maintained and reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

60 days. Principal revenue sources susceptible to accrual include property taxes, sales taxes, franchise taxes, special assessments, and interest on investments. Furthermore, expenditures are recorded when fund liabilities are incurred.

The Enterprise and Internal Service Fund financial statements are reported using the accrual basis of accounting. These funds are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. The City applies all applicable Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds. Pronouncements of the Financial Accounting Standards Board (FASB) are applied if issued on or before November 30, 1989 and do not conflict with GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Description of Funds

The City reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for the normal activities of the City (police, fire, public works, parks, community development, general government, etc.). These activities are funded principally by property taxes, sales and use taxes, franchise taxes, licenses, and permits.

The **Storm Water Fund** accounts for the City's revenues and capital expenditures associated with drainage for storm water runoff.

The **Debt Service Funds** are used to account for the accumulation of resources for payment of general long-term debt principal and interest and special assessment levies when the City is obligated in some manner for the payment.

The **Capital Projects Fund** accounts for the resources used to acquire, construct, and improve major capital facilities, other than those financed by Proprietary Funds. Capital Projects funds allow the City to compile project cost data and demonstrate that legal or contractual requirements, regarding the use of the resources, are fully satisfied. The principal source of funding is contributions from developers restricted for capital construction, transfers from the General Fund, grants, and bonding. All funds received for a particular purpose are restricted and used specifically for that purpose.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

The City reports the following major Proprietary Funds:

The **Alta Canyon Sports Center Fund** accounts for the activities created by the Alta Canyon Recreation Special Service District.

The **Water Fund** is used to account for the operations of the City's water utility.

The **Waste Fund** accounts for waste collection services provided by an independent contractor.

The **Golf Fund** is used to account for the City's golf course.

Additionally, the City reports the following fund types:

The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The Internal Service Funds include the Fleet Fund, the Information Services Fund, the Risk Management Fund, the Equipment Management Fund, and the Payroll Management Fund.

Budget Operation

The City operates within the budget requirements as specified by Utah State law. The financial reports reflect the following budget standards:

1. For the fiscal year beginning July 1, the budget officer prepares a tentative budget which is presented to the City Council on or before the first regularly scheduled meeting in May.
2. By resolution, the City Council legally adopts the final budget on or before June 22, after appropriate public hearings have been held. However, if there is a change to the certified tax rate, the final budget can be adopted as late as August 17.
3. Once adopted, the budget can be amended by subsequent City Council action. Reductions in or reallocations of departmental appropriations can be approved by the City Council upon recommendation of the Budget Officer, but increased appropriations require a public hearing prior to amending the budget. Transfers of unexpended appropriations from one expenditure account to another in the same department can be made with the approval of the Budget Officer.
4. Interim adjustments in estimated revenue and departmental appropriations during the fiscal year 2007 have been included in the final budget approved by the City Council, as presented in the financial statements. These amendments were not material in relation to the original appropriations.
5. As determined by Utah State law, the level for which expenditures may not legally exceed appropriations is the departmental budget within a given fund.
6. Budgets for the General, Special Revenue, Debt Service (General Purposes Debt Service Fund only), and Capital Projects Funds are adopted on a basis consistent with Accounting Principles Generally Accepted in the United States of America (GAAP). Special Assessment Funds are grouped with Debt

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Service Funds. Operating and capital budgets are required by Utah State law for Proprietary Fund types, although such budgets are not required to be presented in the financial statements. In addition, budgets for Special Assessment Funds are not required by Utah State law.

7. All unexpended appropriations lapse at the end of the budget year. However, unexpended Capital Projects Fund appropriations may be reappropriated by a resolution of the City Council without holding public hearings.

Encumbrances

Encumbrance accounting is not employed by the City.

Investments

Investments in interest earning deposits are stated at cost plus or minus unamortized premiums or discounts which approximates fair value.

Inventory

The inventories are stated at the lower of cost, determined on the first-in first-out basis, or market.

Deferred Charges

Deferred charges represent issuance costs on bonds which are amortized over the life of the issue using the bonds outstanding or straight-line method, which approximates the interest method.

Interfund Transactions

In the normal course of its operations, the City has various transactions between funds. Various City funds provide a number of services such as administrative, fleet operations, information services, insurance and risk management, etc. to other City funds. Charges are treated as revenues in the fund providing the service and as operating expenses in the fund receiving the service. Non-recurring and non-routine transfers are accounted for as changes in fund balance. Other transfers are recognized as transfers in and out, respectively, by the funds involved. Short-term payables are shown as due to/from other funds. Long-term payables are shown as advances to/from other funds.

Other Depreciable Property

Other depreciable property, including autos, trucks, machinery and equipment, and office furniture and equipment, is stated at cost. Depreciation has been provided on a straight-line method over estimated useful lives.

Water Rights

Water stock, rights, and capacity are stated at cost.

Capital Assets

Capital Assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

cost of more than \$7,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Depreciation on capital assets is computed using the straight-line method over the following estimated useful lives:

Wells	25 years
Water Tanks	25 years
Distribution Mains	33 years
Buildings and Structures	20-40 years
Pumps	8 years
Machinery and Equipment	5-10 years
Vehicles	5-15 years
Office Furniture and Equipment	5-10 years
Street Lights and Traffic Signals	30-50 years
Storm Water Improvements	40 years
Pools	30 years
Infrastructure	25 years

Modified Approach

With the implementation of GASB Statement No. 34, Sandy City began capitalizing roadway system infrastructure in fiscal year 2003. The City elected to follow the modified approach to account for this infrastructure. The City has made a commitment to preserve and maintain the roadway system of infrastructure assets at a condition level determined by the City. The City's Public Works department is responsible for determining the appropriate condition level at which the roadway system is to be maintained. No depreciation expense is reported for the roadway system after July 1, 2002; however, the estimated historical cost of roadway system infrastructure up to July 1, 2002 was recorded in total along with corresponding accumulated depreciation. Amounts capitalized in connection with improvements that lengthen the life of the roadway system are not reported unless the improvements also increase its service potential. The City maintains an inventory of the roadway system and performs periodic condition assessments to establish that the predetermined condition level is being maintained. Annual estimates are made by the City of the amounts that must be expended to preserve and maintain the roadway system at the predetermined condition levels.

Contributions

Certain proprietary funds receive contributions for aid in construction from various sources. With the July 1, 2000 adoption of Statement of Governmental Accounting Standards (SGAS) No. 33, these contributions that were formerly credited directly to contributed capital accounts are now reflected as non-operating revenue. With the July 1, 2001 adoption of SGAS No. 34, amounts that were contributed in prior years and were shown as contributed capital at June 30, 2002, have been reclassified as beginning net assets.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Capital Leases

The City has acquired certain assets under leases which are required by Accounting Principles Generally Accepted in the United States of America to be accounted for as capital leases. A capital lease is one which results in the lessee (the City) obtaining financing for the purchase of the leased asset. The present values of the lease payments at inception of the leases and the corresponding assets are recorded. Governmental fund capital lease transactions are accounted for in the governmental activities portion of the government-wide statements, while those of the proprietary funds are accounted for in their respective funds. The liability is reduced each year by the portion of lease payments representing principal, not interest. The cost of leased assets is amortized over the life of the assets and the amortization expense is included with depreciation expense.

Utility Revenue

Throughout the year, utility revenues in the Water, Electric Utilities, and Storm Water Utilities funds are recorded when billed. At year end, the fund records, as unbilled receivables and revenue, an amount which approximates revenue from the last meter reading or billing date at fiscal year end.

Deferred Revenue

Deferred property tax revenue as of June 30, 2007 consists of property taxes levied for fiscal year 2006-2007 and collected in advance or recorded as a receivable. Deferred special assessment revenue as of June 30, 2007 consists of special assessments levied but not collected or available to pay liabilities of the current period.

Total Columns

The total columns shown on the accompanying fund financial statements are mathematical totals only and do not eliminate inter-fund transactions or include other entries required to present consolidated financial statements. The government-wide financial statements do, however, eliminate most inter-fund transactions and the double counting of revenues and expenses. They are therefore much closer to the consolidated financial statements presented in private sector accounting.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and are therefore reported as receivables. The \$750,881 in receivables consists of \$314,222 of delinquent property taxes and \$436,659 of justice court receivables.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The \$8,195,145 difference consists of \$13,884,330 of capital outlays less \$3,071,513 asset deletions, and \$2,617,672 of depreciation expense.

Another element of that reconciliation states that "The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The \$7,182,254 represent principal payments on outstanding debts.

Note 3 - Property Taxes

The property tax revenue of Sandy City is collected and distributed by the Salt Lake County Treasurer as an agent for the City. Utah State laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

1. By March 1, the City notifies the County Commission to establish a proposed date, time, and place for a tax rate adoption hearing.
2. By March 31, the County Treasurer settles property taxes charged and collected for the previous year.
3. By June 8, the County Auditor sends valuation, certified tax rate, and levy worksheet forms to the City.
4. Before June 22, the City adopts a proposed tax rate and certifies the tax rate with the County Auditor.
5. Before July 22 (if the City adopts a tax rate higher than the certified tax rate), the County Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
6. By August 17, the City adopts the final tax rate and certifies the tax rate with the County Auditor.
7. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.
8. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
9. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

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With the July 1, 2000 adoption of Statement of Governmental Accounting Standards (SGAS) No. 33, more fully described below, Sandy City changed its method of accounting for property taxes. SGAS No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, defines a nonexchange transaction as one in which “a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange.” For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes has recorded a receivable and a corresponding deferred revenue for the assessed amount of those property taxes as of January 1, 2007. Most of the tax will not be received until the following fiscal year.

Note 4 - Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Detailed accounting records are maintained for each individual fund; however, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for investment purposes.

The City follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a “qualified depository”. The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds. The Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s deposits are insured up to \$100,000 per account by the Federal Deposit Insurance Corporation (FDIC). Deposits above \$100,000 are exposed to credit risk. The bank balance of the City’s deposits totaled \$2,920,498 , with a carrying value of \$2,053,915. Of this amount, \$200,000 was insured and the remaining \$2,720,498 was uninsured and uncollateralized. The City has no formal policy regarding deposit credit risk.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

A summary of restricted and unrestricted cash and cash equivalents at June 30, 2007 is as follows:

	Cash and Cash Equivalents
Unrestricted	\$ 61,068,889
Restricted	5,407,424
Total	\$ 66,476,313
Deposits	\$ 2,053,915
Investments	64,422,398
Total	\$ 66,476,313

Note 5 - Investments

The City's investment policies are governed by State statutes. City funds are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories; (2) repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository; (3) commercial paper which is rated P-1 by Moody's Investor Services or A-1 by Standard and Poor's Inc., having a remaining term to maturity of 270 days or less; (4) bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less; (5) negotiable interest bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less; (6) obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds; (7) obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farms Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association; (8) the Utah State Treasurer's Investment Fund; and (9) fixed and variable rate corporate obligations that meet criteria under the Money Management Act.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is an external investment pool administered by the Utah State Treasurer. The PTIF is available for investment of funds administered by any Utah public treasurer. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. Deposits in the PTIF are not insured or otherwise

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees which is allocated to each participant on the ratio of each participant's share to the total funds in the PTIF. The participant's monthly investment amount is based upon their average daily balance. At June 30 and December 31 each year, the fair value of the investments is determined to enable participants (public entities having those year ends) to adjust their investments in this pool. As of June 30, 2007, the City's fair value investments in the PTIF was \$445 greater than the amortized cost of investments (shown below). The City does not consider this amount material, and, therefore, has not recorded this increase.

The Bank of New York and the state of Utah compare separately determine fair values for each security in accordance with GASB Statement No. 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2007) to determine an agreed upon fair value. As of June 30, 2007, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
State of Utah PTIF	\$ 64,422,398	\$ 64,422,398			

As of June 30, 2007 the City had \$64,492,810 invested in PTIF which had a fair value of \$47,496,324 for an unrealized gain of \$3,514. Due to the non-materiality of this amount, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment. The table below shows statistical information about the investment pool:

Credit Risk

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the Money Management Act. The Act details authorized investments which are high-grade securities and, therefore, subject to very little credit risk except in the most unusual and unforeseen circumstances.

As of June 30, 2007, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
State of Utah PTIF	\$ 64,422,398				\$ 64,422,398

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NOTES TO FINANCIAL STATEMENTS
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Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

As of June 30, 2007, the City had no investments requiring risk disclosure.

Note 6 - Restricted Assets

General Fund activity in unexpended State Road funds, during fiscal year 2007, that are required by the Utah State law to be restricted for road construction and maintenance, are summarized as follows:

State Road Allotment	\$ 3,183,289
Expenditures: Highway Maintenance	<u>(3,183,289)</u>
Unexpended State Road Allotment	<u><u>\$ -0-</u></u>

Debt Service Fund

Pursuant to Utah State law and the bond indentures of the Auto Mall Special Improvement District Special Assessment Bonds, the City has created a Special Improvement Guarantee Fund. The assets of the Special Improvement Guarantee Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$196,000. As of June 30, 2007, the amount held of \$196,000 was in compliance with funding requirements.

Pursuant to Utah State law and the bond indentures of the South Towne Ridge Special Assessment Bonds, the City has created a Special Improvement District Fund. The assets of the Special Improvement District Fund are restricted for payment of maturing special improvement bonds and interest accruing thereon of \$76,200. As of June 30, 2007, the amount held of \$76,200 was in compliance with funding requirements.

Pursuant to the 2000 Motor Fuel Excise Tax Revenue Bonding Agreement, the City is required to have a debt service reserve of \$707,500. As of June 30, 2007, the City was in compliance with funding requirements with reserves in the General Purpose Debt Service Fund.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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Other Governmental Funds

Restricted assets represent unexpended receipts which are restricted for use on future capital projects. The changes in restricted balances during fiscal year 2007 are summarized as follows:

	Road Funds	Capital Projects Fund				Debt Service Funds
		Park & Trail Fees	Grants & Court Surcharge	Land Purchase/ Other	Total	
Balance - July 1, 2006	\$ 474,255	\$ 1,491,064	\$ 863,329	\$ 1,397,265	\$ 3,751,658	\$ 1,703,869
Additions:						
Fees & Transfers In	898,587	529,773	1,556,673	263,422	2,349,868	-0-
Interest Earnings	20,008	91,246	14,153	80,998	186,397	-0-
Reductions: Expenditures & Transfers Out	(1,082,933)	(288,906)	(1,557,184)	(324,026)	(2,170,116)	(724,169)
Balance - June 30, 2007	\$ 309,917	\$ 1,823,177	\$ 876,971	\$ 1,417,659	\$ 4,117,807	\$ 979,700

Business-Type Fund

There are no restricted assets in the business-type funds.

Note 7 - Receivables

The \$14,264,225 in governmental receivables found in the Statement of Net Assets consists of \$11,871,202 in taxes, \$1,641,000 in special assessments, \$700,416 in billing receivables, and \$51,607 in other receivables.

The \$4,104,290 in business-type activities receivables are comprised of \$3,651,275 in billing receivables, \$349,018 in taxes receivable, and other receivables of \$103,997. The City expects to collect all of these receivables during fiscal year 2007.

Note 8 - Due From/To Other Funds

Short term interfund loans at June 30, 2007 are summarized as follows:

Fund	Due From Other Funds	Due to Other Funds
Governmental Funds:		
Redevelopment Agency - South Towne	\$ 9,969	
CDBG		\$ 9,969
Total	\$ 9,969	\$ 9,969

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 9 - Joint Venture

As of June 30, 2007, the City has a 32.92 percent ownership in Trans-Jordan Cities (the Association). The Association was organized in 1968 as a joint enterprise fund of the cities of Midvale, West Jordan, Murray, and Sandy, Utah. In 1997 the Association was joined by the City of South Jordan, and the Cities of Draper and Riverton joined in 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site situated east of Bingham Canyon in Salt Lake County. The percentage interest in operations for each of the entities is as follows:

Sandy City	32.92%
West Jordan City	25.73
Murray City	9.22
Midvale City	5.83
South Jordan	10.56
Draper	7.62
Riverton	<u>8.12</u>
Total	<u>100.00%</u>

The Association is governed by its own Board of Directors. Under the Organization Agreement, the board is composed of the Mayors, or their appointed representatives, of the seven participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

The following is a summary of audited financial information of the Association for the fiscal year ended June 30, 2007:

Assets:

Current Assets	\$ 11,098,907
Property, Plant and Equipment - Net	6,911,034
Non Current Assets	<u>3,944,723</u>
Total Assets	<u>\$ 21,954,664</u>

Liabilities:

Current Liabilities	\$ 584,957
Noncurrent Liabilities	<u>3,973,893</u>
Total Liabilities	<u>\$ 4,558,850</u>

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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Net Assets:

Invested in Capital Assets,	
Net of Related Debt	\$ 6,911,034
Unrestricted	<u>10,484,780</u>
Total Net Assets	<u>\$ 17,395,814</u>

Income Statement:

Operating Revenue	\$ 5,411,884
Operating Expenses	<u>4,937,879</u>
Operating Income	474,005
Non-Operating Income	1,263,677
Capital Contributions	<u>398,667</u>
Change in Net Assets	<u>\$ 2,136,349</u>

The City paid \$600,387 to the Association for landfill costs during fiscal year 2007. Complete financial statements for the Association may be obtained at the following address:

Trans Jordan City Landfill
10873 South 7200 West
South Jordan, Utah 84095-0610

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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Note 10 - Investment in Water Stock, Rights, and Capacity

The Water Fund had the following investments in water stock, rights, and capacity at June 30, 2007:

Water Stock:	<u>Shares</u>	<u>Cost</u>
Bell Canyon Irrigation Company	1,863	\$ 442,607
Cahoon and Maxfield Irrigation Company	50	1,856
Draper Irrigation Company	125	131,255
East Jordan Irrigation Company	331	388,635
Granite Water Company	10	3,743
Last Chance Ditch Company	504	26,437
Little Cottonwood Water Company	11,358	113,580
Nickle Irrigation Company	1,078	195,967
Sandy Canal Company	260	170,934
Sandy Irrigation Company	1,772	928,263
South Despain Ditch Company	33	20,041
Tanner Ditch Company	2	450
Union East Jordan Irrigation Company	914	49,158
Welby Jacob Water Users Company	9	9,050
Provo Reservoir Water Users Company	52	780,179
Provo Bench Canal and Irrigation Company	1	27,975
North Jordan Irrigation Company	84	<u>199,500</u>
Total Water Stock		3,489,630
Water Rights - Thompson and Lym Ditches		38,581
Water Capacity		<u>26,039,820</u>
Total Water Stock, Rights and Capacity		<u>\$29,568,031</u>

Note 11 - Capital Assets

The following two tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2007:

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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Primary Government

	Beginning Balance	Additions	Deletions	Ending Balance
Government Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 195,214,053	\$ 1,358,815	\$ -0-	\$ 196,572,868
Infrastructure	117,316,034	2,665,162	3,071,513	116,909,683
Construction in Progress	2,786,970	7,075,771	1,159,893	8,702,848
Total Capital Assets, Not Being Depreciated	315,317,057	11,099,748	4,231,406	322,185,399
Capital Assets, Being Depreciated:				
Buildings	32,637,706	1,231,480	-0-	33,869,186
Non-Building Imprv	15,987,569	760,958	-0-	16,748,527
Machinery & Equip	7,480,605	391,454	48,242	7,823,817
Autos & Trucks	14,601,173	1,274,560	943,861	14,931,872
Street Lights	8,950,440	379,181	-0-	9,329,621
Storm Water	26,173,257	1,444,714	-0-	27,617,971
Total Capital Assets being depreciated	105,830,750	5,482,347	992,103	110,320,994
Less Accumulated Depreciation:				
Buildings	7,724,372	829,305	-0-	8,553,677
Non-Building Improvements	6,718,380	659,898	-0-	7,378,278
Machinery & Equipment	5,154,553	547,899	24,874	5,677,578
Autos & Trucks	9,521,415	1,411,710	833,262	10,099,863
Street Lights	2,135,400	304,650	-0-	2,440,050
Storm Water	8,635,415	668,825	-0-	9,304,240
Total Accumulated Depreciation	39,889,535	4,422,287	858,136	43,453,686
Total Capital Assets, Being Depreciated, Net	65,941,215	1,060,060	133,967	66,867,308
Governmental Activities Capital Assets, Net	\$ 381,258,272	\$ 12,159,808	\$ 4,365,373	\$ 389,052,707

Business-Type Activities:

Capital Assets, Not Being Depreciated:				
Land	\$ 6,562,735	\$ -0-	\$ -0-	6,562,735
Construction in Progress	342,938	2,155,220	247,503	2,250,655
Total Capital Assets, Not Being Depreciated	6,905,673	2,155,220	247,503	8,813,390
Capital Assets, Being Depreciated:				
Buildings	3,744,009	457,067	-0-	4,201,076
Non-Building Imprv	3,665,745	-0-	-0-	3,665,745
Main Lines	64,197,694	1,966,710	-0-	66,164,404
Wells	14,456,232	106,372	-0-	14,562,604
Storage Tanks	9,557,983	174,762	-0-	9,732,745
Pump Equipment	2,535,715	-0-	-0-	2,535,715
Pool	605,364	-0-	-0-	605,364
Autos & Trucks	84,180	302,906	-0-	387,086
Machinery & Equip	676,363	41,983	-0-	718,346
Total Capital Assets being depreciated	99,523,285	3,049,800	-0-	102,573,085
Less Accumulated Depreciation:				
Buildings	1,373,372	97,393	-0-	1,470,765
Non-Building Imprv	2,367,459	131,847	-0-	2,499,306
Main Lines	26,576,679	2,139,710	-0-	28,716,389
Wells	3,151,084	542,461	-0-	3,693,545
Storage Tanks	5,795,016	300,466	-0-	6,095,482
Pump Equipment	2,423,661	74,703	-0-	2,498,364
Pool	423,299	20,179	-0-	443,478
Autos & Trucks	20,309	16,311	-0-	36,620
Machinery & Equip	545,824	33,055	-0-	578,879
Total Accumulated Depreciation	42,676,703	3,356,125	-0-	46,032,828
Total Capital Assets, Being Depreciated, Net	56,846,582	(306,325)	-0-	56,540,257
Business-Type Activities Capital Assets, Net	\$ 63,752,255	\$ 1,848,895	\$ 247,503	\$ 65,353,647

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Depreciation expense for the year ended June 30, 2007 for governmental and business-type activities are shown in the following table:

Governmental Activities:

General Government	\$ 320,640
Police & Animal Control	173,344
Fire	144,317
Public Works	52,535
Parks, Landscapes and Cemetery	635,431
Community Development	44,178
Economic Development	7,433
Recreation and Cultural Events	238,996
Electric Utility	317,039
Storm Water Utility	683,759
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,804,615</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 4,422,287</u></u>

Business-Type Activities

Alta Canyon Sports Center	\$ 121,945
Water	3,201,739
Golf Course	<u>32,441</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 3,356,125</u></u>

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 12 - Changes in Long-Term Liabilities

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. All other long-term obligations of the City are accounted for in the Governmental Activities of the government-wide statements. The following table summarizes changes in long-term obligations for the year ended June 30, 2007:

	Rate (%)	Amount of Original Issue (bonds only)	Balance June 30, 2006	Additions	Retirements	Balance June 30, 2007	Due Within One Year
<u>Governmental Activities</u>							
General Obligation Bonds							
2005 General Obligation Bonds	3.50 to 5.00	\$ 3,650,000	\$ 3,650,000	\$ -0-	\$ 600,000	\$ 3,050,000	\$ 625,000
Revenue Bonds							
2000 Motor Fuel Excise Tax	5.25 to 5.25	7,075,000	3,705,000	-0-	655,000	3,050,000	965,000
2002 Sales Tax Revenue	3.00 to 5.25	10,180,000	8,040,000	-0-	580,000	7,460,000	605,000
2003 Sales Tax Revenue	1.75 to 5.60	7,225,000	4,100,000	-0-	475,000	3,625,000	150,000
2004 Sales Tax Revenue	3.00 to 5.00	16,520,000	14,895,000	-0-	725,000	14,170,000	760,000
Special Development Bonds							
2002 Auto Mall Refunding	2.73 to 5.83	1,960,000	1,549,000	-0-	197,000	1,352,000	203,000
2002A Parking Facility	2.65 to 5.75	4,409,000	3,251,000	-0-	3,251,000	-0-	-0-
2002B South Towne Ridge Road	2.80 to 5.80	762,000	563,000	-0-	71,000	492,000	74,000
Notes Payable							
HUD Section 108 Loan	LIBOR + .2%	2,515,000	1,720,000	-0-	125,000	1,595,000	130,000
Long-Term Contract Payable	5.00	2,516,267	2,013,014	-0-	503,254	1,509,760	503,253
Long-Term Compensated Absences			923,270	209,090	139,737	992,623	-0-
Internal Service Fund Debt							
Compensated Absences			1,433,528	286,841	179,858	1,540,511	77,938
Equipment Lease Purchase	2.70	355,300	89,812	-0-	89,812	-0-	-0-
Total Governmental Long-Term Obligations		57,167,567	45,932,624	495,931	7,591,661	38,836,894	4,093,192
<u>Business-Type Activities</u>							
Revenue Bonds							
2002B Sales Tax Revenue (Golf)	3.00 to 5.00	5,550,000	4,085,000	-0-	165,000	3,920,000	170,000
2005 Water Revenue and Refunding	2.50 to 5.00	9,965,000	9,230,000	-0-	755,000	8,475,000	775,000
Long-Term Contract Payable		13,832,100	13,722,120	-0-	54,990	13,667,130	59,220
Total Business-Type Long-Term Obligations		29,347,100	27,037,120	-0-	974,990	26,062,130	1,004,220
Total Government Wide Long-Term Obligations		\$ 86,514,667	\$ 72,969,744	\$ 495,931	\$ 8,566,651	\$ 64,899,024	\$ 5,097,412

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

The annual debt requirements to maturity, including principal and interest, as of June 30, 2007 are listed in the following tables:

Year Ending June 30	Governmental Activities					
	General Obligation Bonds		Revenue Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 625,000	\$ 104,525	\$ 2,480,000	\$ 1,241,566	\$ 277,000	\$ 83,678
2009	655,000	80,563	2,605,000	1,138,270	286,000	72,203
2010	680,000	56,350	2,740,000	1,027,395	300,000	59,825
2011	710,000	29,400	1,750,000	903,176	313,000	46,325
2012	380,000	7,600	1,835,000	828,864	327,000	31,904
2013-2017	-0-	-0-	10,825,000	2,796,249	341,000	16,443
2018-2022	-0-	-0-	5,495,000	589,839	-0-	-0-
2023-2027	-0-	-0-	575,000	26,795	-0-	-0-
Subtotal	\$ 3,050,000	\$ 278,438	28,305,000	\$ 8,552,154	\$ 1,844,000	\$ 310,378
Less: Unamortized (Premiums), Discount, and Costs	(22,658)		417,270		81,053	
Net Debt	\$ 3,072,658		\$27,887,730		\$ 1,762,947	

Year Ending June 30	Governmental Activities (Continued)				Business Activities	
	Notes & Other Payables		Totals		Bonds & Other Payables	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 633,254	\$ 180,258	\$ 4,015,254	\$ 1,610,027	\$ 1,004,220	\$ 1,149,700
2009	643,253	146,250	4,189,253	1,437,286	1,081,520	1,119,172
2010	653,253	111,435	4,373,253	1,255,005	1,213,040	1,083,926
2011	165,000	75,654	2,938,000	1,054,555	701,500	1,051,490
2012	175,000	64,084	2,717,000	932,452	847,630	1,024,110
2013-2017	835,000	121,435	12,001,000	2,934,127	5,096,910	4,501,204
2018-2022	-0-	-0-	5,495,000	589,839	6,529,090	3,148,269
2023-2027	-0-	-0-	575,000	26,795	5,679,700	1,550,069
2028-2033	-0-	-0-	-0-	-0-	3,908,520	453,854
Subtotal	\$ 3,104,760	\$ 699,116	36,303,760	\$ 9,840,086	26,062,130	\$ 15,081,794
Less: Unamortized (Premiums), Discount, and Costs			475,665		289,211	
Net Debt			\$35,828,095		\$ 25,772,919	

General Obligation Bonds

On September 27, 2005, the City issued \$3,650,000 in General Obligation Refunding Bonds (Series 2005) with a maturity date of December 15, 2011 at an average interest rate of 3.865 percent to advance refund \$3,670,000 of the outstanding 1995 Series bonds with interest rates of 3.60 to 5.50 percent. The net proceeds of \$3,738,640 (after a City transfer of \$63,000, an issuance premium of \$90,797, and \$65,157 in miscellaneous issuance costs) were used to purchase U.S. Treasury Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1995 Series bonds.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

As a result, the 1995 Series bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. The 2005 General Obligation Refunding Bonds are not subject to redemption prior to maturity.

Special Improvement Bonds with Governmental Commitment

Principal and interest on special improvement bonds are paid from special assessment collections. The primary source of repayment of the special assessment debt is assessments against the benefitted property owners. This debt is secured by liens on assessed property and is also backed by the full faith and credit of the City as additional security (see debt service reserve requirement in note 5).

A separate fund, the Special Improvement Debt Service Fund, has been established to contain the receipts derived by the City from the special assessments levied upon the property included in the special improvement districts together with interest on the assessments and, if necessary, additional funds transferred by the City to the debt service fund. Under the terms of the special improvement bond resolutions and state law, the City has agreed to maintain a special improvement guarantee account for the benefit of the bondholders.

On September 1, 2002, the City issued \$1,960,000 in Special Assessment Refunding Bonds (Auto Mall) at rates from 2.73 to 4.83 percent with a final maturity date of September 1, 2012. This bond replaced the 1993 Special Assessment bond. The Special Improvement District No. 90-1 (Auto Mall) was originally established by the City for the purpose of making improvements within the District. Assessments have been levied against the property included within the district to finance the cost of the improvements, all in conformance with and subject to the requirements of the Improvement District Act.

On December 19, 2002, the City issued \$4,409,000 in Special Assessment Bonds at rates from 2.65 to 4.75 percent with a final maturity date of December 15, 2012. The Special Improvement District No. 2001-1 (Parking Structure) was established by the City for the purpose of acquisition of land and rights of way and construction of parking and plaza improvements.

On December 19, 2002, the City issued \$762,000 in Special Assessment Bonds at rates from 2.80 to 4.80 percent with a final maturity date of December 15, 2012. The Special Improvement District No. 2000-1 (South Towne Ridge Road) was established by the City to acquire land and rights of way, to construct roads, and to install water, sewer, and storm drain improvements.

Motor Fuel Bonds

On March 7, 2000, the City issued \$7,075,000 in Motor Fuel Excise Tax Revenue Bonds. The Series 2000 bonds bear interest at 4.25 to 5.25 percent and have a final maturity of January 15, 2010. The bonds were issued to finance the construction or repair of streets located within the City boundaries. The City has pledged motor and special fuel excise taxes (Class C road funds) as collateral for these revenue bonds. The Series 2000 bonds are not callable for redemption prior to maturity.

Water Bonds

On April 22, 2004, the Water Utility issued \$9,965,000 in Water Revenue and Refunding Bonds (Series 2004) at rates from 2.50 to 5.00 percent with a final maturity date of November 15, 2025. The bonds were issued for the purpose of (i) refunding all of the City's outstanding Water Revenue and Refunding Bonds, Series

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

1993A, (ii) financing costs of certain improvements to the City's water system and (iii) paying costs of issuance of the Series 2004 Bonds.

The bond resolution approved in conjunction with the issuance of the Series 2004 bonds provides, among other things, that certain funds be established and that certain accounting procedures be followed. Under the terms of the resolution, the City will establish and collect rates and charges (including impact fees and connection fees) for System services which are reasonably expected to produce net revenues equal to 110 percent of the aggregate annual debt service requirement for such year.

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds are special limited obligations of the City that are backed by the sales and use taxes levied by the City under the Local Sales and Use Tax Act.

On February 15, 2002, the City issued \$10,180,000 in Sales Tax Revenue Bonds (Series 2002) at rates from 3.00 to 5.25 percent with a final maturity date of September 15, 2016. The bonds were issued to finance the costs associated with acquiring, constructing, and equipping certain storm drain improvements and paying the costs of issuing the bonds. The bonds maturing on or prior to September 15, 2011 are not subject to redemption prior to maturity, while those maturing on or after September 15, 2012 are subject to redemption at the election of the City on March 15, 2012 and on any date thereafter. The redemption price is equal to 100 percent of the principal amount plus accrued interest.

On July 1, 2002, the City issued \$4,550,000 in Sales Tax Revenue Bonds (Series 2002B) at rates from 3.00 to 4.50 percent with a final maturity date of September 15, 2023. The bonds were issued to finance costs associated with acquiring, constructing, and equipping a golf course (River Oaks) and park improvements, and paying the costs of issuing the bonds. The bonds maturing on or prior to September 15, 2012 are not subject to redemption prior to maturity, while those maturing on or after September 15, 2012 are subject to redemption at the election of the City on September 15, 2012 and on any date thereafter. The redemption price is equal to 100 percent of the principal amount plus accrued interest.

On August 15, 2003, the City issued \$7,225,000 in Sales Tax Revenue Bonds (Series 2003) at rates from 1.75 to 4.60 percent with a final maturity date of September 15, 2023. The bonds were issued to finance the costs associated with (i) the acquisition of a justice court building, (ii) the refunding of the 1996 Motor Fuel Excise Tax Revenue bonds and the 1994B Lease Revenue bonds and (iii) paying the costs of issuing the bonds. The bonds maturing on or before September 15, 2013, are not subject to optional redemption prior to maturity, while those maturing on or after September 15, 2014 are subject to redemption at the election of the City. The redemption price is equal to 100 percent of the principal amount plus accrued interest.

On November 1, 2004, the City issued \$16,520,000 in Sales Tax and Refunding Bonds (Series 2004) at rates from 3.0 percent to 5.0 percent with a final maturity date of June 15, 2020. The bonds were issued to (i) refund the 1998C and 1999 Municipal Building Authority Lease Revenue Bonds, (ii) finance the costs associated with the acquisition, construction and equipping of road improvements, park improvements and other City-owned capital improvements and (iii) pay costs associated with the issuance of the 2004 Bonds. The 2004 bonds maturing on or after June 15, 2014 are not subject to optional redemption prior to maturity. The 2004 bonds maturing on or after June 15, 2015 are subject to redemption at the option of the City on June 15, 2014,

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
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and on any date thereafter prior to maturity at a redemption price equal to 100 percent of the principal amount of the 2004 bonds to be redeemed, plus accrued interest thereon on the redemption date.

Notes Payable

On June 6, 1996, the City issued a \$2,515,000 note, guaranteed by the U.S. Department of Housing and Urban Development (HUD), for the creation of a Senior Citizen's Center. Interest on the note payable is variable, based upon LIBOR plus 0.2 percent. For the purpose of estimating debt service requirements, interest rates between 5.87 and 7.03 percent have been derived. The date of maturity on the note payable is August 1, 2015.

Compensated Absences

It is the City's policy to permit employees to accumulate earned vacation benefits. All vacation pay is accrued when incurred in the government-wide funds financial statements. The liability for these amounts is funded in the Payroll Management Fund, an internal service fund, for proprietary funds and governmental funds if they have matured.

Contracts Payable

During fiscal year 2005, the City acquired preferential water rights for water produced from the Ontario Drain Tunnel through MWDSLS. MWDSLS issued \$81,750,000 in Series 2005 A & B Water Revenue Bonds bearing interest rates from 3.0 percent to 5.0 percent. The City will pay 16.92 percent of this debt to MWDSLS over 27 years (the life of the debt).

During fiscal year 2006, the City began paying MWDSLS for property purchased by MWDSLS on the City's behalf. This land will be used for the future 2000 East corridor. The City will pay a total of \$2,516,267 over five equal payments, along with interest calculated at 5 percent per year. Additional information concerning committed payments to MWDSLS can be found in note 18 - Commitments and Contingencies.

Defeasance of Debt

During fiscal year 2004, the City issued \$7,225,000 in Sales Tax Revenue and Refunding Bonds. \$3,160,000 of the proceeds were used to advance refund \$1,080,000 of the outstanding 1994B Lease Revenue Bonds and \$3,410,000 of the 1996 Motor Fuel Excise Tax Revenue Bonds. At June 30, 2007, the balance of bonds which were considered extinguished was \$325,000.

During fiscal year 2004, the City issued \$9,965,000 in Water Revenue and Refunding Bonds. \$3,890,000 of the proceeds were used to advance refund \$5,975,000 of the outstanding 1993A Water Revenue Refunding Bonds. As of June 30, 2007, the balance of bonds which were considered extinguished was \$3,155,000.

During fiscal year 2005, the City issued \$16,520,000 in Sales Tax Revenue and Refunding Bonds. \$14,990,000 of the proceeds were placed in an irrevocable trust to advance refund \$7,150,000 of the 1998C MBA Lease Revenue Bonds and \$8,545,000 of the 1999 MBA Lease Revenue Bonds. At June 30, 2007, the balance of bonds which were considered extinguished was \$14,500,000.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 13 - Industrial Development Revenue Bonds

The City has issued industrial development revenue bonds for the benefit of various developers to aid in building a commercial base within Sandy City limits. Principal and interest payments of such industrial development revenue bonds are to be made entirely by the various developers. The City will not become liable for these bonds even if developers can no longer make the payments. Consequently, the following bonds and their related interest are not shown as a liability in the accompanying financial statements:

Description of Industrial Revenue Bonds Issued	Year Issued	Maturity Date	Original Amount	Total Retired	Outstanding at 6/30/07
DREE Project	1985	11/15/10	\$ 8,770,000	\$ 5,475,000	\$ 3,295,000
South Towne Hotel Associates Project	1985	11/20/10	9,350,000	6,045,000	3,305,000
H. Shirl Wright Project	1986	12/15/16	9,000,000	4,100,000	4,900,000
Total Industrial Revenue Bonds Issued for Developers			\$ 27,120,000	\$15,620,000	\$ 11,500,000

Note 14 - Pension Plans

Plan Description

The State of Utah requires all agencies with public employees to contribute to Utah State Retirement Systems (USRS). Based upon the type of public employee and their retirement elections, the City contributes to various plans within the USRS: the Local Governmental Contributory Retirement System, the Local Governmental Non-Contributory Retirement System, the Public Safety Retirement System for employers without Social Security coverage, the Firefighters Retirement System which is for employers without Social Security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the USRS. USRS provide retirement benefits, annual cost of living adjustments, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended which also establishes the Utah State Retirement Office. Chapter 49 places the Systems, the Office and related plan and programs under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the systems and plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-753-7361.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Funding Policy

Plan members in the Local Government Contributory Retirement System are required to contribute based upon participating employees' annual salaries. The contribution rates in effect from July 1, 2006 through June 30, 2007 are as follows:

	Employee Paid	Employee Contributions Paid by City (100% Vested)	City's Matching Contributions	Total Contribution
Local Government Contributory Retirement System	N/A	6.00 %	7.58 %	13.58 %
Local Government Non-Contributory Retirement System	N/A	N/A	11.59	11.59
Public Safety Retirement System for employers Without Social Security coverage	6.24 %	4.26	15.69	26.19
Firefighters' Retirement System for employers Without Social Security coverage	N/A	8.72	N/A	8.72

The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Trend Information

The following contributions have been made in the past three years and were equal to the required contributions for each fiscal year ending on June 30th:

	2005	2006	2007
Local Governmental Contributory Retirement System	\$ 117,070	\$ 122,170	\$ 125,390
Local Governmental Non-Contributory Retirement System	1,114,612	1,210,193	1,364,971
Public Safety Retirement System for employers without Social Security coverage	1,101,096	1,114,075	1,341,356
Firefighters Retirement System for employers without Social Security coverage	273,708	285,081	325,344
Total	\$ 2,606,486	\$ 2,731,519	\$ 3,157,061

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 15 - Deferred Compensation Plans

The City offers its employees a 457 deferred compensation plan and 401(K) defined contribution tax-sheltered annuity plan. Both plans are provided for within the Internal Revenue Code. The plans, assets, and associated liabilities are administered by external agencies: ICMA Retirement Corporation and Utah State Retirement Systems (USRS). The plans, available to all City employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All ownership and associated interest of the plan is held solely for the benefit of the employees. As a result, the City does not carry the assets or associated liabilities in the City's financial statements.

The City contributes to a 401(K) plan for and on behalf of its public employees, elected and appointed officials, City Council members, temporary, and seasonal employees. The City Council authorizes a percentage based upon an employees base wage to be contributed into deferred compensation plans: 17.95% for full-time employees, 19.95% for public safety employees, 8.05% for council members, and 7.50% for temporary and seasonal employees. As noted previously, the USRS deferred compensation rate is actuarially determined by the State depending upon the employee classification. The required contribution rates to the 401(K) plan equals the City Council authorized amount less the USRS mandated rate and are as follows: Public Employees covered under the Non-Contributory State Retirement 6.36%, Public Employees covered under the Contributory State Retirement 4.37%, Elected/Appointed Officials 17.95%, Firefighters 9.23%, and City Council members 8.05%. Because the deferred compensation rate for the Public Safety Retirement System exceeds 19.95%, the City does not pay into the 401(k) plan for police officers. The required contribution rate to the 457 plan on behalf of temporary and seasonal employees is 7.5%. The City's total contributions were \$1,689,616 which is 6.9% of the \$24,645,613 in total payroll for covered employees for the year ended June 30, 2007. The City's and employee's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. In addition, all employees are eligible to participate in an elective deferral plan which permits them to defer a portion of their salary until future years. The total contributions made by the employees were \$1,075,357 for the year ended June 30, 2007. At June 30, 2007 the City has made all payments to the plan administrator to satisfy this funding requirement.

Note 16 - Post Employment Benefits

The City allows terminated or retired employees to continue their health insurance benefits for a period of 18 months after the employee's termination or retirement date. The City will pay up to two months of these premiums for an employee and their plan dependents in the event that (1) a current full or part time employee dies, or (2) a full or part time employee is approved for disability due to their diagnosis as terminally ill. All other terminated or retired employees are required to pay the full cost of such extended health insurance coverage. As of June 30, 2007, six employees had elected to participate in this post-employment benefit program. The administrative costs to the City of such benefits were not significant for the year ended June 30, 2007.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 17 - Vacation and Sick Leave

The City permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements.

Employees can accrue vacation days at various rates depending upon length of service. There are no requirements that vacation leave be taken, but the maximum permissible accumulation is 320 hours except for firefighters who can accumulate 480 hours. At termination, employees are paid for any unused accumulated vacation leave.

The Payroll Management Fund, an internal service fund, contains the City's entire compensated absences liability except for the long-term liability portion of the General Fund. The long-term liability portion in the General Fund is considered to be any amount in excess of what an employee can accrue in one year. As of June 30, 2007, this unfunded amount is \$992,623.

Employees earn sick leave at the rate of 12 days per year. Unused sick leave may be carried forward to subsequent years until a maximum of 480 hours is accumulated.

Note 18 - Commitments and Contingencies

The City is a defendant in various claims and suits arising from the ordinary course of business. The City's legal counsel believes that it has meritorious defenses and that any liability resulting from these matters would not be material. Accordingly, no provision for loss related to litigation has been made in the accompanying financial statements.

Commitments for major construction and capital improvements projects totaled \$4,405,638 at June 30, 2007.

The Sandy City Redevelopment Agency (RDA), a governmental-type fund, has two outstanding commitments for payment of tax increment to Jordan School District and the Salt Lake County Sewer District. The following is a schedule of estimated future payments to both of these entities as of June 30, 2007. Estimates are based on 2007 property tax rates and values:

	RDA Fund
2008	\$ 72,718
2009	72,718
2010	72,718
2011	72,718
2012	72,718
2013-2017	336,278
2018-2022	68,959
	<u>\$ 768,827</u>

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

In 1999, the City agreed to pay the Macerich Company \$230,000 per year for ten years as a tax increment refund for the Dillard's department store at South Towne Center. As of June 30, 2007, one payment remains. These payments are made out of the RDA fund.

The Public Utilities department (an enterprise fund) currently has a long-term commitment payable to MWDSLS for various capital improvements. The following is a schedule of future payments due to MWDSLS for capital improvements as of June 30, 2007:

	Water Fund
2008	\$ 4,210,322
2009	4,210,322
2010	4,210,322
2011	4,210,322
2012	4,210,322
2013-2017	21,051,610
2018-2022	21,051,610
2023-2027	21,051,610
2028-2032	21,051,610
2033-2037	8,420,644
Total	<u>\$ 113,678,694</u>

The Public Works department has a long-term commitment payable to MWDSLS for land purchased on behalf of the City for the future 2000 East corridor. The following is a schedule of future principal payments due to MWDSLS for these land purchases:

	Capital Projects
2008	\$ 503,253
2009	503,254
2010	503,254
Total	<u>\$ 1,509,761</u>

In the normal course of operations, the City receives grant funds from various Federal agencies. The grant operations are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed to be material.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 19 - Transfers In/Out

During the course of normal operations, the City has transfers between the various funds. The principal purposes of the City's interfund transfers are debt service and capital projects. Transfers in and out for the year ended June 30, 2007 are summarized as follows:

Transfers Out From :									
	General	Redevelopment Agency	Community Development	Storm Water Utilities	Debt Service	Capital Projects	Risk Management	Total Transfers In	
Transfers in to the following funds:									
General	\$ -0-	\$ 40,000	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 40,000
Community Arts	359,089	-0-	-0-	-0-	-0-	-0-	-0-	-0-	359,089
Amphitheater	93,547	-0-	-0-	-0-	-0-	-0-	-0-	-0-	93,547
Recreation	259,148	-0-	-0-	-0-	-0-	-0-	-0-	-0-	259,148
Electric Utilities	580,234	-0-	-0-	-0-	-0-	-0-	-0-	-0-	580,234
Storm Water	-0-	40,000	-0-	-0-	-0-	-0-	-0-	-0-	40,000
Debt Service	1,402,562	1,612,372	238,276	924,596	-0-	1,860,086	-0-	-0-	6,037,892
Capital Projects	5,022,959	-0-	-0-	-0-	988,521	-0-	100,000	-0-	6,111,480
Golf	-0-	150,000	-0-	-0-	-0-	-0-	-0-	-0-	150,000
Total Transfers Out	\$ 7,717,539	\$ 1,842,372	\$ 238,276	\$ 924,596	\$ 988,521	\$ 1,860,086	\$ 100,000	\$ -0-	\$ 13,671,390

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 20 - General Fund Administrative Charges

The General Fund charges certain special revenue funds and proprietary funds for various administrative services. These transactions have been recorded as revenue and expenses or expenditures to the funds as if they involved organizations external to the City. The amounts charged to those funds during fiscal year 2007 are as follows:

	<u>General</u> <u>Government</u>	<u>Public Works</u> <u>Administration</u>	<u>Total</u>
Special Revenue Funds:			
Redevelopment Agency	\$ 84,237	\$ 3,663	\$ 87,900
Recreation	30,000	-0-	30,000
Sandy Arts Guild	7,500	-0-	7,500
Storm Water Utilities	122,207	-0-	122,207
 Enterprise Funds:			
Alta Canyon Sports Center	61,295	-0-	61,295
Water	787,895	-0-	787,895
Waste Collection	171,915	74,457	246,372
Golf	36,686	-0-	36,686
 Internal Service Funds:			
Fleet Operations	89,635	21,845	111,480
Information Services	153,526	-0-	153,526
Risk Management	<u>60,216</u>	<u>-0-</u>	<u>60,216</u>
 Total	 <u>\$ 1,605,112</u>	 <u>\$ 99,965</u>	 <u>\$ 1,705,077</u>

Note 21 - Risk Management

The City is exposed to various risks of loss including torts; workers compensation claims; theft, damage or destruction of assets; errors and omissions; and natural disasters. Insurance coverages for these risks were provided by several commercial insurance carriers. The general liability policy has a \$2,000,000 self insured retention with a \$10,000,000 limit per occurrence. Workers compensation claims are covered by the Workers Compensation Fund. The City commercially insures real property and also insures fleet equipment with individual values in excess of \$40,000 and self-insures all other fleet equipment. For the last three years, claim settlements have not exceeded insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been Incurred But Not Reported (IBNR).

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

The liability for claims and judgements is reported in the Insurance & Risk Management Fund and has been expensed in the current period. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended <u>June 30, 2007</u>	Year Ended <u>June 30, 2006</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 662,112	\$ 511,786
Incurred Claims & Changes in Estimates (Including IBNR's)	(148,714)	281,555
Claims Payments	<u>(76,516)</u>	<u>(131,229)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 436,882</u>	<u>\$ 662,112</u>

The City estimates that \$161,000 of the \$436,882 unpaid claims will be paid in the next fiscal year.

Note 22 - Sandy City Redevelopment Agency

For the year ending June 30, 2007 the following activity occurred in the City's Redevelopment Agency:
Tax increment collected by the Agency for each project area:

South Towne	\$ 1,524,228
Civic Center South	1,265,349
Civic Center North	1,149,986
South Towne Ridge Road	<u>652,803</u>
	<u>\$ 4,592,366</u>
 Tax increment paid to other taxing agencies	 \$34,479
Outstanding loans which financed RDA projects	\$10,863,391
Amounts expended for:	
Installation of public utilities or other public improvements	\$ 959,785
Administrative costs	\$273,296

Note 23 - Related Party Transactions

During the year ended June 30, 2007, the City made the following payments to MWDSL, which is a related entity:

- A capital assessment of \$4,210,322 for capital improvements to be conducted by MWDSL;
- \$691,467 for water rights to the Ontario Drain Tunnel water;
- \$603,904 for the 2000 East Corridor purchase agreement; and
- \$3,085,975 for water purchases.

SANDY CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

Note 24 - Subsequent Events

On July 31, 2007, the City made a principal prepayment of \$1,006,507 to retire a long-term commitment payable to MWDSLs thus extinguishing this commitment.

On August 23, 2007, The Redevelopment Agency of Sandy City issued a \$27,000,000 Transient Room Tax Revenue Bond Series 2007A (senior lien), an \$8,000,000 Transient Room Tax Revenue Bond Series 2007B (subordinate lien) and self-funded an \$800,000 debt service reserve for the purpose of assisting a professional soccer team, Salt Lake ReAL, to locate in Sandy. These funds were used to 1) acquire 22 acres of land to be owned by the RDA, 2) fund \$12.6 million in infrastructure improvements, 3) pay for City permits, fees, reimbursements, and bond issuance costs. Both 2007A and 2007B series bonds have a maturity date of January 15, 2027 and have a coupon rate of 4.88%. The majority, if not all, of the bond payments will be funded through a county wide tax levied on hotels within Salt Lake County. Through State legislation, 15 percent of the total tax collected is allocated to the City during the time that these bonds are outstanding.

The City issued \$6,360,000 in Motor Fuel Excise Tax Revenue Bonds Series 2007 dated November 8, 2007 to finance the acquisition, construction and improvements of roads. These bonds have a maturity date of January 15, 2017, a yield rate between 3.51% to 3.90% and are not callable for redemption prior to maturity. The City has pledged motor and special fuel excise taxes (Class C road funds) as collateral for these revenue bonds.

Required Supplementary Information

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SANDY CITY

Roadway System Condition and Maintenance

Modified Approach for Infrastructure

June 30, 2007

The condition of the road pavement is measured using the Stantec Pavement Management Application (PMA), which is based on a weighted average of nine distress factors found in pavement surfaces (cracking, raveling, chuck holes, patching, edge cracking, rutting/shoving, bleeding, excessive crown, and distortion). The PMA uses a measurement scale based on a condition index ranging from 0 to 10 for pavement in perfect condition. The condition index is used to classify roads in good or better condition (6.5 - 10), fair condition (4.0 - 6.4), and substandard condition (less than 4.0). The City's policy is to maintain at least 80 percent of its street system at a good or better condition and have no more than 10 percent in a substandard condition. Condition assessments are determined every year.

Improvements to the secondary roadway subsystem during fiscal year 2007 resulted in a 3 percent increase in the overall system in good or better condition and a 43 percent decrease in the overall system in substandard condition from fiscal year 2006. During fiscal year 2004, the City gathered more detailed information on drive approaches and water ways than had been gathered in fiscal year 2003. This allowed the City to more accurately assess the overall concrete condition for each address within Sandy City. For fiscal year 2003, concrete condition, including drive approach and waterway condition, was estimated based on the number of simple concrete hazards at each address without accounting for the severity of each hazard. Therefore, fiscal year 2003 data produced conditions that were artificially worse than they really were. Conversely, accurate field evaluations were made during fiscal year 2004 to determine not only the number, but the severity, of each concrete hazard. This resulted in a significant decrease in substandard condition percentages in fiscal year 2004 over fiscal year 2003. A corresponding increase in good or better condition percentages also occurred.

Condition Rating of the City's Roadway System

Percentage of Roadway System in Good or Better Condition

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Arterials	93.2%	91.3%	90.8%	93.0%	91.6%
Collectors	92.9%	92.3%	91.6%	91.7%	88.3%
Secondary	89.3%	85.8%	86.8%	88.1%	88.1%
Overall System	90.8%	88.1%	88.5%	89.7%	88.6%

Percentage of Roadway System in Substandard Condition

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Arterials	0.3%	0.3%	0.3%	0.3%	0.4%
Collectors	0.3%	0.5%	0.5%	0.4%	2.6%
Secondary	0.4%	0.8%	0.8%	0.6%	4.7%
Overall System	0.4%	0.7%	0.6%	0.5%	3.5%

Comparison of Needed to Actual Maintenance/Preservation

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Arterials					
Needed	\$ 4,342,458	\$ 3,842,128	\$ 3,585,103	\$ 3,496,732	\$ 3,369,917
Actual	3,566,059	3,384,297	3,253,349	3,492,674	3,283,548
Collectors					
Needed	868,492	768,426	717,021	699,346	673,983
Actual	713,212	676,859	650,670	698,535	656,709
Secondary					
Needed	992,561	878,200	819,451	799,254	770,267
Actual	815,099	773,554	743,623	798,325	750,525
Overall System					
Needed	6,203,511	5,488,754	5,121,575	4,995,332	4,814,167
Actual	5,094,370	4,834,710	4,647,642	4,989,534	4,690,782
	<u>\$ (1,109,141)</u>	<u>\$ (654,044)</u>	<u>\$ (473,933)</u>	<u>\$ (5,798)</u>	<u>\$ (123,385)</u>

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Supplementary Information

SANDY CITY**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances****Governmental Funds****For the Year Ended June 30, 2007****With Comparative Totals for 2006**

	General Fund	Storm Water	Debt Service	Capital Projects	Other Governmental Fund	Total Governmental Funds	
						2007	2006
Revenues:							
Taxes:							
General Property Taxes	\$ 7,185,286	\$ -0-	\$ 287,482	\$ -0-	\$ 4,592,366	\$ 12,065,134	\$ 11,764,974
General Sales & Use Taxes	19,286,918	-0-	-0-	-0-	-0-	19,286,918	17,681,709
Franchise Taxes	7,091,234	-0-	-0-	-0-	-0-	7,091,234	6,600,373
Motor Vehicle Fee	824,486	-0-	-0-	-0-	-0-	824,486	825,617
Total Taxes	34,387,924	-0-	287,482	-0-	4,592,366	39,267,772	36,872,673
Special Assessments	-0-	-0-	344,658	-0-	700	345,358	904,929
Innkeeper Fees	-0-	-0-	268,062	-0-	-0-	268,062	231,569
Licenses & Permits	2,748,928	-0-	-0-	-0-	-0-	2,748,928	2,571,942
Inter-Governmental Revenue	3,434,697	-0-	-0-	1,360,886	546,425	5,342,008	5,202,115
Charges for Services	2,142,165	-0-	290,551	-0-	-0-	2,432,716	2,179,055
Administrative Charges	1,705,077	-0-	-0-	-0-	-0-	1,705,077	1,520,720
Fines & Forfeitures	2,874,777	-0-	-0-	195,787	-0-	3,070,564	2,615,913
Cell Tower Lease	123,977	-0-	-0-	-0-	-0-	123,977	160,432
Fees from Developers	-0-	487,886	113,358	796,795	-0-	1,398,039	2,069,176
Charges for Sales & Services	-0-	2,915,731	-0-	-0-	636,732	3,552,463	3,474,161
Interest Income	472,296	257,282	135,226	776,225	463,192	2,104,221	1,472,455
Miscellaneous Revenues	30,685	1,348	-0-	3,551	774,282	809,866	2,132,228
Total Revenues	47,920,526	3,662,247	1,439,337	3,133,244	7,013,697	63,169,051	61,407,368
Expenditures:							
Salaries and Benefits	27,655,067	600,681	-0-	-0-	1,239,482	29,495,230	27,826,475
Materials & Supplies	3,700,937	118,296	-0-	-0-	870,022	4,689,255	4,489,498
Contracted Services	1,326,611	108,389	12,896	3,600	670,806	2,122,302	1,796,451
Internal Charges	3,822,024	397,248	-0-	-0-	114,162	4,333,434	3,989,335
Administrative Charges	-0-	48,883	-0-	-0-	125,400	174,283	122,989
Cost of Goods Sold	-0-	10,855	-0-	-0-	501,095	511,950	493,120
Bond Issuance Cost and Trustee Fees	-0-	-0-	15,988	-0-	103,917	119,905	85,757
Capital Outlays	1,401,299	4,226,935	-0-	8,472,204	1,668,527	15,768,965	12,352,370
Principal	-0-	-0-	3,931,253	-0-	-0-	3,931,253	5,428,253
Interest on Long-Term Debt	-0-	-0-	1,909,478	-0-	-0-	1,909,478	2,120,693
Total Expenditures	37,905,938	5,511,287	5,869,615	8,475,804	5,293,411	63,056,055	58,704,941
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,014,588	(1,849,040)	(4,430,278)	(5,342,560)	1,720,286	112,996	2,702,427
Other Financing Sources (Uses):							
Issuance of Debt	-0-	-0-	-0-	-0-	-0-	-0-	3,650,000
Bond Premium	-0-	-0-	-0-	-0-	-0-	-0-	90,798
Redemption of Refunded Bonds	-0-	-0-	(3,251,000)	-0-	-0-	(3,251,000)	(3,670,000)
Sale of Capital Assets	26,192	31,872	2,909,259	-0-	(36,418)	2,930,905	104,975
Transfers In	40,000	40,000	6,037,892	6,111,480	1,292,018	13,521,390	12,085,439
Transfers Out	(9,277,625)	(924,596)	(988,521)	(300,000)	(2,080,648)	(13,571,390)	(12,235,439)
Total Other Financing Sources (Uses)	(9,211,433)	(852,724)	4,707,630	5,811,480	(825,048)	(370,095)	25,773
Net Change in Fund Balances	803,155	(2,701,764)	277,352	468,920	895,238	(257,099)	2,728,200
Beginning Fund Balances	4,897,087	6,312,410	2,930,746	17,102,675	4,790,298	36,033,216	33,135,168
Ending Fund Balances	\$ 5,700,242	\$ 3,610,646	\$ 3,208,098	\$ 17,571,595	\$ 5,685,536	\$ 35,776,117	\$ 35,863,368

SANDY CITY

Debt Service

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues:				
General Property Taxes	\$ 282,464	\$ 282,464	\$ 287,482	\$ 5,018
Special Assessments	349,786	349,786	344,658	(5,128)
Innkeeper Fees	230,653	230,653	268,062	37,409
Charges for Services	267,000	267,000	290,551	23,551
Fees from Developers	48,000	48,000	113,358	65,358
Interest Income	121,709	109,327	135,226	25,899
Total Revenues	1,299,612	1,287,230	1,439,337	152,107
Expenditures:				
Contracted Services	-0-	12,896	12,896	-0-
Principal	3,928,811	6,768,811	7,182,253	(413,442)
Interest on Long-Term Debt	1,817,926	1,811,314	1,909,478	(98,164)
Bond Issuance Cost and Trustee Fees	14,433	19,221	15,988	3,233
Total Expenditures	5,761,170	8,612,242	9,120,615	(508,373)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,461,558)	(7,325,012)	(7,681,278)	(356,266)
Other Financing Sources (Uses):				
Sale of Capital Assets	-0-	2,909,259	2,909,259	-0-
Transfers In	3,978,184	3,978,184	6,037,892	2,059,708
Transfers Out	(470,406)	(983,863)	(988,521)	(4,658)
Total Other Financing Sources (Uses)	3,507,778	5,903,580	7,958,630	2,055,050
Net Change in Fund Balances	(953,780)	(1,421,432)	277,352	1,698,784
Beginning Fund Balances	2,930,746	2,930,746	2,930,746	-0-
Ending Fund Balances	\$ 1,976,966	\$ 1,509,314	\$ 3,208,098	\$ 1,698,784

SANDY CITY

Capital Projects

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Inter-Governmental Revenue	\$ 3,148,841	\$ 3,148,841	\$ 1,360,886	\$ (1,787,955)
Fines & Forfeitures	175,000	175,000	195,787	20,787
Fees from Developers	486,944	577,944	796,795	218,851
Interest Income	461,309	478,808	776,225	297,417
Miscellaneous Revenues	-0-	-0-	3,551	3,551
Total Revenues	4,272,094	4,380,593	3,133,244	(1,247,349)
Expenditures:				
Contracted Services	25,000	25,000	3,600	21,400
Capital Outlays	70,819	89,651	-0-	89,651
Land	968,034	968,034	-0-	968,034
Buildings	3,581,151	4,018,250	2,314,102	1,704,148
Roads	7,155,807	7,155,807	2,920,537	4,235,270
Parks	8,231,279	8,961,279	2,535,427	6,425,852
Miscellaneous	1,281,650	1,273,128	702,138	570,990
Total Expenditures	21,313,740	22,491,149	8,475,804	14,015,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,041,646)	(18,110,556)	(5,342,560)	12,767,996
Other Financing Sources :				
Transfers In	2,544,223	3,093,435	6,111,480	3,018,045
Transfers Out	(300,000)	(300,000)	(300,000)	-0-
Total Other Financing Sources	2,244,223	2,793,435	5,811,480	3,018,045
Net Change in Fund Balances	(14,797,423)	(15,317,121)	468,920	15,786,041
Beginning Fund Balances	17,102,675	17,102,675	17,102,675	-0-
Ending Fund Balances	\$ 2,305,252	\$ 1,785,554	\$ 17,571,595	\$ 15,786,041

Nonmajor Governmental Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Redevelopment Agency (RDA) - This fund is used to account for the tax increment revenues and the tax increment bond proceeds that are legally restricted for expenditures in the Sandy Redevelopment Agency project area.

Landscape Maintenance - This fund is used to account for the service-type special assessments legally restricted for operation and maintenance of streetscapes.

Community Development Block Grant (CDBG) - This fund is used to account for the revenues received by the City as grantee participant in the Community Development Block Grant program.

Recreation - This fund is used to account for the City's recreation activities.

Community Arts - The City elects to sponsor certain performing arts, programs and special events. This fund is used to account for the revenue and expenditures associated with these events.

Sandy Arts Guild - The City arranges for concerts, programs, and special events to be performed within our amphitheater for the enjoyment of our citizens. This fund is used to account for the revenue and expenditures associated with these events.

Electric Utilities - This fund is used to account for the operation of the City's electric utility.

Sandy City Donations - This fund was established to account for individual, private, and intergovernmental contributions held in trust by the City.

SANDY CITY**Combining Balance Sheet****Nonmajor Governmental Funds****June 30, 2007****With Comparative Totals for 2006**

	RDA	Landscape Maintenance	CDBG	Recreation	Community Arts
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 3,414,169	\$ 180,823	\$ -0-	\$ 256,839	\$ 114,766
Receivables	-0-	-0-	-0-	-0-	-0-
Due from other Govt. Units	-0-	-0-	114,050	-0-	-0-
Due From Other Funds	9,969	-0-	-0-	-0-	-0-
Prepaid Assets	-0-	-0-	-0-	-0-	-0-
Total Assets	3,424,138	180,823	114,050	256,839	114,766
<u>LIABILITIES AND FUND BALANCES:</u>					
Current Liabilities:					
Accounts Payable	26,836	-0-	101,994	6,210	4,176
Salaries & Benefits Payable	22,261	-0-	2,087	30,664	14,762
Due to Other Govt. Units	-0-	-0-	-0-	-0-	-0-
Due to Other Funds	-0-	-0-	9,969	-0-	-0-
Deposits	-0-	-0-	-0-	-0-	-0-
Total Liabilities	49,097	-0-	114,050	36,874	18,938
Unreserved Fund Balances	3,375,041	180,823	-0-	219,965	95,828
Total Liabilities and Fund Balance	\$ 3,424,138	\$ 180,823	\$ 114,050	\$ 256,839	\$ 114,766

	Sandy Arts Guild	Electric Utility	Sandy City Donations	TOTALS	
				2007	2006
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 404,379	\$ 1,002,351	\$ 546,416	\$ 5,919,743	\$ 4,952,457
Receivables	138	2,662	775	3,575	16,437
Due from other Govt. Units	-0-	-0-	12,207	126,257	61,936
Due From Other Funds	-0-	-0-	-0-	9,969	177,566
Prepaid Assets	-0-	-0-	-0-	-0-	52,659
Total Assets	404,517	1,005,013	559,398	6,059,544	5,261,055
<u>LIABILITIES AND FUND BALANCES:</u>					
Current Liabilities:					
Accounts Payable	25,252	68,141	13,876	246,485	372,982
Salaries & Benefits Payable	9,417	8,252	-0-	87,443	84,743
Due to Other Govt. Units	-0-	-0-	22,111	22,111	1,846
Due to Other Funds	-0-	-0-	-0-	9,969	3,186
Deposits	-0-	-0-	8,000	8,000	8,000
Total Liabilities	34,669	76,393	43,987	374,008	470,757
Unreserved Fund Balances	369,848	928,620	515,411	5,685,536	4,790,298
Total Liabilities and Fund Balance	\$ 404,517	\$ 1,005,013	\$ 559,398	\$ 6,059,544	\$ 5,261,055

SANDY CITY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

Nonmajor Governmental Funds

For the Year Ended June 30, 2007

With Comparative Totals for 2006

	RDA	Landscape Maintenance	CDBG	Recreation	Community Arts
Revenues:					
Taxes	\$ 4,592,366	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Special Assessments	-0-	700	-0-	-0-	-0-
Inter-Governmental Revenue	-0-	-0-	502,627	-0-	-0-
Charges for Sales & Services	-0-	-0-	-0-	578,730	-0-
Interest Income	306,940	10,676	-0-	16,881	13,471
Miscellaneous Revenues	-0-	-0-	-0-	-0-	10,222
Total Revenues	4,899,306	11,376	502,627	595,611	23,693
Expenditures:					
General Government	-0-	-0-	-0-	-0-	-0-
Police & Animal Control	-0-	-0-	-0-	-0-	-0-
Fire	-0-	-0-	-0-	-0-	-0-
Public Works	-0-	-0-	-0-	-0-	-0-
Parks, Landscapes and Cemetery	-0-	18,260	-0-	-0-	-0-
Community Development	-0-	-0-	264,351	-0-	-0-
Economic Development	1,775,785	-0-	-0-	-0-	-0-
Recreation and Cultural Events	-0-	-0-	-0-	888,244	366,983
Electric Utility	-0-	-0-	-0-	-0-	-0-
Capital Outlay	-0-	-0-	-0-	-0-	-0-
Total Expenditures	1,775,785	18,260	264,351	888,244	366,983
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,123,521	(6,884)	238,276	(292,633)	(343,290)
Other Financing Sources (Uses):					
Transfers In	-0-	-0-	-0-	259,148	359,089
Transfers Out	(1,842,372)	-0-	(238,276)	-0-	-0-
Total Other Financing Sources (Uses)	(1,842,372)	-0-	(238,276)	259,148	359,089
Net Change in Fund Balances	1,281,149	(6,884)	-0-	(33,485)	15,799
Beginning Fund Balances	2,093,892	187,707	-0-	253,450	80,029
Ending Fund Balances	\$ 3,375,041	\$ 180,823	\$ -0-	\$ 219,965	\$ 95,828

	Sandy Arts Guild	Electric Utility	Sandy City Donations	Total Non-Major Governmental Funds	
				2007	2006
Revenues:					
Taxes	\$ -0-	\$ -0-	\$ -0-	\$ 4,592,366	\$ 4,406,571
Special Assessments	-0-	-0-	-0-	700	380
Inter-Governmental Revenue	36,883	-0-	6,915	546,425	552,112
Charges for Sales & Services	22,393	35,609	-0-	636,732	651,568
Interest Income	20,241	68,358	26,625	463,192	265,993
Miscellaneous Revenues	409,215	-0-	354,845	774,282	802,546
Total Revenues	488,732	103,967	388,385	7,013,697	6,679,170
Expenditures:					
General Government	-0-	-0-	23,398	23,398	38,242
Police & Animal Control	-0-	-0-	244,323	244,323	419,308
Fire	-0-	-0-	43,416	43,416	89,453
Public Works	-0-	-0-	520	520	-0-
Parks, Landscapes and Cemetery	-0-	-0-	-0-	18,260	43,366
Community Development	-0-	-0-	345	264,696	257,777
Economic Development	-0-	-0-	-0-	1,775,785	2,505,894
Recreation and Cultural Events	675,714	-0-	6,031	1,936,972	1,514,284
Electric Utility	-0-	643,278	-0-	643,278	627,597
Capital Outlay	-0-	379,181	-0-	379,181	141,287
Total Expenditures	675,714	1,022,459	318,033	5,329,829	5,637,208
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,982)	(918,492)	70,352	1,683,868	1,041,962
Other Financing Sources (Uses):					
Transfers In	93,547	580,234	-0-	1,292,018	1,259,668
Transfers Out	-0-	-0-	-0-	(2,080,648)	(2,483,051)
Total Other Financing Sources (Uses)	93,547	580,234	-0-	(788,630)	(1,223,383)
Net Change in Fund Balances	(93,435)	(338,258)	70,352	895,238	(181,421)
Beginning Fund Balances	463,283	1,266,878	445,059	4,790,298	4,971,719
Ending Fund Balances	\$ 369,848	\$ 928,620	\$ 515,411	\$ 5,685,536	\$ 4,790,298

SANDY CITY**Redevelopment Agency (RDA)****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
General Property Taxes	\$ 6,734,588	\$ 6,734,588	\$ 4,592,366	\$ (2,142,222)
Interest Income	-0-	-0-	306,940	306,940
Total Revenues	6,734,588	6,734,588	4,899,306	(1,835,282)
Expenditures:				
Salaries and Benefits	290,304	290,304	235,843	54,461
Materials & Supplies	64,275	74,275	37,452	36,823
Contracted Services	305,000	355,000	330,392	24,608
Internal Charges	20,496	20,496	20,496	-0-
Administrative Charges	87,900	87,900	87,900	-0-
Bond Issuance Cost and Trustee Fees	-0-	-0-	103,917	(103,917)
Capital Outlays	6,217,997	6,257,997	959,785	5,298,212
Total Expenditures	6,985,972	7,085,972	1,775,785	5,310,187
Excess of Revenues Over Expenditures	(251,384)	(351,384)	3,123,521	3,474,905
Transfers Out	(1,842,513)	(1,842,513)	(1,842,372)	141
Net Change in Fund Balances	(2,093,897)	(2,193,897)	1,281,149	3,475,046
Beginning Fund Balances	2,093,892	2,093,892	2,093,892	-0-
Ending Fund Balances	\$ (5)	\$ (100,005)	\$ 3,375,041	\$ 3,475,046

SANDY CITY

Landscape Maintenance

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$ 3,190	\$ 700	\$ (2,490)
Interest Income	13,027	10,676	(2,351)
Total Revenues	16,217	11,376	(4,841)
Expenditures:			
Capital Outlays	194,822	18,260	176,562
Net Change in Fund Balances	(178,605)	(6,884)	171,721
Beginning Fund Balances	187,707	187,707	-0-
Ending Fund Balances	\$ 9,102	\$ 180,823	\$ 171,721

SANDY CITY

Community Development Block Grant (CDBG)

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Inter-Governmental Revenue	\$ 404,201	\$ 502,627	\$ 98,426
Expenditures:			
Salaries and Benefits	62,968	57,467	5,501
Materials & Supplies	162,153	103,436	58,717
Internal Charges	3,818	3,818	-0-
Capital Outlays	125,338	99,630	25,708
Total Expenditures	354,277	264,351	89,926
Excess of Revenues Over Expenditures	49,924	238,276	188,352
Transfers Out	(238,276)	(238,276)	-0-
Net Change in Fund Balances	(188,352)	-0-	188,352
Beginning Fund Balances	-0-	-0-	-0-
Ending Fund Balances	\$ (188,352)	\$ -0-	\$ 188,352

SANDY CITY

Recreation

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Sales & Services	\$ 625,200	\$ 578,730	\$ (46,470)
Interest Income	9,000	16,881	7,881
Total Revenues	634,200	595,611	(38,589)
Expenditures:			
Salaries and Benefits	432,552	461,538	(28,986)
Materials & Supplies	45,218	32,020	13,198
Contracted Services	4,000	4,174	(174)
Internal Charges	20,737	20,737	-0-
Administrative Charges	30,000	30,000	-0-
Cost of Goods Sold	337,990	335,101	2,889
Capital Outlays	25,200	4,674	20,526
Total Expenditures	895,697	888,244	7,453
Excess (Deficiency) of Revenues Over (Under) Expenditures	(261,497)	(292,633)	(31,136)
Other Financing Sources:			
Transfers In	259,148	259,148	-0-
Net Change in Fund Balances	(2,349)	(33,485)	(31,136)
Beginning Fund Balances	253,450	253,450	-0-
Ending Fund Balances	\$ 251,101	\$ 219,965	\$ (31,136)

SANDY CITY

Community Arts

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Interest Income	\$ 7,000	\$ 13,471	\$ 6,471
Miscellaneous Revenues	5,750	10,222	4,472
Total Revenues	12,750	23,693	10,943
Expenditures:			
Salaries and Benefits	169,986	176,226	(6,240)
Materials & Supplies	185,920	152,951	32,969
Internal Charges	32,146	32,146	-0-
Capital Outlays	-0-	5,660	(5,660)
Total Expenditures	388,052	366,983	21,069
Excess (Deficiency) of Revenues Over (Under) Expenditures	(375,302)	(343,290)	32,012
Other Financing Sources :			
Transfers In	359,089	359,089	-0-
Net Change in Fund Balances	(16,213)	15,799	32,012
Beginning Fund Balances	80,029	80,029	-0-
Ending Fund Balances	\$ 63,816	\$ 95,828	\$ 32,012

SANDY CITY

Sandy Arts Guild

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for Sales & Services	\$ 20,000	\$ 20,000	\$ 22,393	\$ 2,393
Inter-Governmental Revenue	45,000	45,000	36,883	(8,117)
Interest Income	10,000	10,000	20,241	10,241
Miscellaneous Revenues	389,740	429,740	409,215	(20,525)
Total Revenues	464,740	504,740	488,732	(16,008)
Expenditures:				
Salaries and Benefits	121,549	121,549	104,626	16,923
Materials & Supplies	70,778	91,778	107,845	(16,067)
Contracted Services	301,000	320,000	334,282	(14,282)
Internal Charges	5,430	5,430	5,430	-0-
Administrative Charges	7,500	7,500	7,500	-0-
Cost of Goods Sold	12,000	12,000	8,752	3,248
Capital Outlays	104,283	104,283	70,861	33,422
Total Expenditures	622,540	662,540	639,296	23,244
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,800)	(157,800)	(150,564)	7,236
Other Financing Sources:				
Sale of Capital Assets	-0-	-0-	(36,418)	(36,418)
Transfers In	127,800	93,547	93,547	-0-
Net Change in Fund Balances	(30,000)	(64,253)	(93,435)	(29,182)
Beginning Fund Balances	463,283	463,283	463,283	-0-
Ending Fund Balances	\$ 433,283	\$ 399,030	\$ 369,848	\$ (29,182)

SANDY CITY

Electric Utility

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Sales & Services	\$ 60,000	\$ 35,609	\$ (24,391)
Interest Income	-0-	68,358	68,358
Total Revenues	60,000	103,967	43,967
Expenditures:			
Salaries and Benefits	172,387	170,404	1,983
Materials & Supplies	417,431	436,318	(18,887)
Contracted Services	15,540	1,958	13,582
Internal Charges	32,373	31,535	838
Capital Outlays	1,269,851	382,244	887,607
Total Expenditures	1,907,582	1,022,459	885,123
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,847,582)	(918,492)	929,090
Other Financing Sources :			
Transfers In	580,234	580,234	-0-
Net Change in Fund Balances	(1,267,348)	(338,258)	929,090
Beginning Fund Balances	1,266,878	1,266,878	-0-
Ending Fund Balances	\$ (470)	\$ 928,620	\$ 929,090

SANDY CITY

Sandy City Donations

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended June 30, 2007

	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Inter-Governmental Revenue	\$ -0-	\$ 6,915	\$ 6,915
Interest Income	11,400	26,625	15,225
Miscellaneous Revenues	600,000	354,845	(245,155)
Total Revenues	611,400	388,385	(223,015)
Expenditures:			
Salaries and Benefits	-0-	33,378	(33,378)
Cost of Goods Sold	600,000	157,242	442,758
Capital Outlays	11,400	127,413	(116,013)
Total Expenditures	611,400	318,033	293,367
Net Change in Fund Balances	-0-	70,352	70,352
Beginning Fund Balances	445,059	445,059	-0-
Ending Fund Balances	<u>\$ 445,059</u>	<u>\$ 515,411</u>	<u>\$ 70,352</u>

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Enterprise Funds

The **Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Alta Canyon Sports Center - This fund is used to account for the City's recreational center.

Water - This fund is used to account for the operations of the City's Water Utility.

Waste - This fund is used to account for waste collection services provided by an independent contractor.

Golf - This fund is used to account for the City's golf course.

SANDY CITY

Alta Canyon Sports Center

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 617,291	\$ 652,676	\$ 35,385
Operating Expenses			
Salaries and Benefits	645,023	643,452	1,571
Materials & Supplies	155,153	138,156	16,997
Contracted Services	74,405	57,886	16,519
Internal Charges	31,286	31,286	-0-
Administrative Charges	61,295	61,295	-0-
Cost of Goods Sold	39,000	37,560	1,440
Non-Capital Improvements	53,210	30,401	22,809
Depreciation	121,945	121,945	-0-
Total Operating Expenses	1,181,317	1,121,981	59,336
Operating Income (Loss)	(564,026)	(469,305)	94,721
Nonoperating Revenues:			
General Property Taxes	352,156	354,469	2,313
Motor Vehicle Fee	37,475	50,017	12,542
Interest Income	3,700	5,597	1,897
Cell Tower Lease	28,076	44,967	16,891
Other Income	439	(7)	(446)
Total Nonoperating Revenues:	421,846	455,043	33,197
Change in Net Assets	(142,180)	(14,262)	127,918
Beginning Fund Balances	1,309,449	1,309,449	-0-
Ending Net Assets	\$ 1,167,269	\$ 1,295,187	\$ 127,918

SANDY CITY

Water

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for Sales & Services	\$ 17,489,420	\$ 17,489,420	\$ 18,840,826	\$ 1,351,406
Fees from Developers	443,300	443,300	710,283	266,983
Total Operating Revenues	17,932,720	17,932,720	19,551,109	1,618,389
Operating Expenses				
Salaries and Benefits	1,655,268	1,655,268	1,681,487	(26,219)
Materials & Supplies	727,809	727,809	611,987	115,822
Contracted Services	555,437	555,437	317,273	238,164
Internal Charges	1,501,859	1,501,859	486,381	1,015,478
Administrative Charges	787,895	787,895	787,895	-0-
Cost of Goods Sold	4,828,885	4,828,885	4,232,120	596,765
Non-Capital Improvements	4,744,204	5,044,204	5,072,460	(28,256)
Depreciation	3,201,739	3,201,739	3,201,739	-0-
Total Operating Expenses	18,003,096	18,303,096	16,391,342	1,911,754
Operating Income (Loss)	(70,376)	(370,376)	3,159,767	3,530,143
Nonoperating Revenues (Expenses):				
Inter-Governmental Revenue	-0-	1,486,800	338,043	(1,148,757)
Interest Income	330,000	330,000	886,535	556,535
Cell Tower Lease	203,436	203,436	226,669	23,233
Gain (Loss) on Disposal of Asset	-0-	-0-	103,705	103,705
Other Income	(7,500)	(7,500)	25,468	32,968
Sale of Capital Assets	47,350	47,350	46,658	(692)
Bond Interest Expense	(427,568)	(1,064,045)	(1,064,329)	(284)
Total Nonoperating Revenues (Expenses)	145,718	996,041	562,749	(433,292)
Change in Net Assets	75,342	625,665	3,722,516	3,096,851
Beginning Net Assets	81,412,746	81,412,746	81,412,746	-0-
Ending Net Assets	\$ 81,488,088	\$ 82,038,411	\$ 85,135,262	\$ 3,096,851

SANDY CITY

Waste

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 3,714,146	\$ 3,780,868	\$ 66,722
Operating Expenses			
Salaries and Benefits	209,086	180,344	28,742
Materials & Supplies	68,720	61,043	7,677
Internal Charges	33,882	33,882	-0-
Administrative Charges	246,372	246,372	-0-
Cost of Goods Sold	3,177,640	3,131,419	46,221
Non-Capital Improvements	15,000	10,300	4,700
Total Operating Expenses	3,750,700	3,663,360	87,340
Operating Income (Loss)	(36,554)	117,508	154,062
Nonoperating Revenues:			
Interest Income	21,554	38,938	17,384
Other Income	-0-	660,560	660,560
Total Nonoperating Revenues:	21,554	699,498	677,944
Change in Net Assets	(15,000)	817,006	832,006
Beginning Net Assets	5,747,655	5,747,655	-0-
Ending Net Assets	\$ 5,732,655	\$ 6,564,661	\$ 832,006

SANDY CITY**Golf****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues:				
Charges for Sales & Services	\$ 1,250,100	\$ 1,383,100	\$ 1,408,606	\$ 25,506
Operating Expenses				
Salaries and Benefits	478,833	478,833	449,926	28,907
Materials & Supplies	163,595	260,595	241,509	19,086
Contracted Services	43,730	43,730	46,035	(2,305)
Internal Charges	169,894	169,894	169,827	67
Administrative Charges	36,686	36,686	36,686	-0-
Cost of Goods Sold	154,650	167,650	211,493	(43,843)
Depreciation	32,441	32,441	32,441	-0-
Total Operating Expenses	1,079,829	1,189,829	1,187,917	1,912
Operating Income (Loss)	170,271	193,271	220,689	27,418
Nonoperating Revenues (Expenses):				
Interest Income	-0-	-0-	12,023	12,023
Other Income (Expense)	(2,000)	(2,000)	(2,000)	-0-
Gain (Loss) on Disposal of Asset	-0-	-0-	4,830	4,830
Bond Interest Expense	(186,614)	(186,614)	(186,614)	-0-
Total Nonoperating Revenues (Expenses)	(188,614)	(188,614)	(171,761)	16,853
Income (Loss) Before Transfers	(18,343)	4,657	48,928	44,271
Transfers In	150,000	150,000	150,000	-0-
Change in Net Assets	131,657	154,657	198,928	44,271
Beginning Net Assets	1,340,865	1,340,865	1,340,865	-0-
Ending Net Assets	\$ 1,472,522	\$ 1,495,522	\$ 1,539,793	\$ 44,271

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Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost-reimbursement basis.

Fleet - This fund is used to account for the rental of machinery, equipment, vehicles, and their related costs to other departments.

Information Services - This fund is used to account for the accumulation and allocation of costs associated with the centralized data processing systems.

Risk Management - This fund is used to account for the accumulation and allocation of costs associated with general liability, worker's compensation and risk management functions.

Equipment Management - This fund is used to account for the accumulation and allocation of costs associated with the purchase of equipment for the governmental funds.

Payroll Management - this fund is used to account for the liability associated with the accumulation of employee compensated absences.

SANDY CITY**Combining Statement of Net Assets****Internal Service Funds****June 30, 2007****With Comparative Totals for 2006**

						Totals Internal Services Funds	
	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	2007	2006
<u>ASSETS:</u>							
Current Assets:							
Cash and Cash Equivalents	\$ 3,012,553	\$ 1,498,552	\$ 3,680,517	\$ 680,798	\$ 2,271,321	\$ 11,143,741	\$ 9,963,368
Receivables	-0-	-0-	383,380	-0-	-0-	383,380	429,190
Inventories	58,095	-0-	-0-	-0-	-0-	58,095	63,011
Total Current Assets	3,070,648	1,498,552	4,063,897	680,798	2,271,321	11,585,216	10,455,569
Land, Building, Plant, and Equipment	18,973,790	1,821,983	-0-	-0-	-0-	20,795,773	20,250,003
Accumulated Depreciation	(12,838,757)	(1,666,871)	-0-	-0-	-0-	(14,505,628)	(13,559,150)
Construction in Progress	277,779	-0-	-0-	-0-	-0-	277,779	277,779
Total Assets	9,483,460	1,653,664	4,063,897	680,798	2,271,321	18,153,140	17,424,201
<u>LIABILITIES AND FUND BALANCES:</u>							
Current Liabilities:							
Accounts Payable	120,680	26,518	9,331	6,093	-0-	162,622	120,713
Salaries & Benefits Payable	43,118	34,249	23,189	-0-	1,667	102,223	83,802
Claims & Judgements Payable	-0-	-0-	436,882	-0-	-0-	436,882	662,112
Deferred Property Tax	-0-	-0-	385,074	-0-	-0-	385,074	376,619
Capital Leases - Current	-0-	-0-	-0-	-0-	-0-	-0-	89,811
Total Current Liabilities	163,798	60,767	854,476	6,093	1,667	1,086,801	1,333,057
Noncurrent Liabilities							
Compensated Absences	-0-	-0-	-0-	-0-	1,540,511	1,540,511	1,433,528
Total Noncurrent Liabilities:	-0-	-0-	-0-	-0-	1,540,511	1,540,511	1,433,528
Total Liabilities	163,798	60,767	854,476	6,093	1,542,178	2,627,312	2,766,585
<u>NET ASSETS:</u>							
Invested In Capital Assets, Net of Related Debt	6,412,812	155,112	-0-	-0-	-0-	6,567,924	6,878,821
Unrestricted	2,906,850	1,437,785	3,209,421	674,705	729,143	8,957,904	7,778,795
Total Net Assets	\$ 9,319,662	\$ 1,592,897	\$ 3,209,421	\$ 674,705	\$ 729,143	\$ 15,525,828	\$ 14,657,616

SANDY CITY

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Services Fund

For the Year Ended June 30, 2007

With Comparative Totals for the Year Ended 2006

	Fleet	Information Services	Risk Management	Equipment Management	Payroll Management	Totals Internal Services Funds	
						2007	2006
Operating Revenue							
Charges for Sales & Services	\$ 3,368,583	\$ 1,285,075	\$ 808,293	\$ 396,350	\$ 546,489	\$ 6,404,790	\$ 6,339,409
Miscellaneous Revenues	10,726	94,528	48,158	-0-	-0-	153,412	111,082
Total Revenues	3,379,309	1,379,603	856,451	396,350	546,489	6,558,202	6,450,491
Operating Expenses							
Salaries and Benefits	652,094	601,745	292,571	-0-	400,883	1,947,293	1,914,812
Materials & Supplies	17,895	27,701	14,984	-0-	-0-	60,580	50,555
Contracted Services	8,071	171,211	487,781	-0-	-0-	667,063	1,331,458
Internal Charges	19,436	-0-	8,892	-0-	-0-	28,328	26,072
Administrative Charges	111,480	153,526	60,216	-0-	-0-	325,222	208,367
Cost of Goods Sold	1,109,610	-0-	-0-	2,000	-0-	1,111,610	977,102
Non-Capital Improvements	60,650	153,243	-0-	497,151	-0-	711,044	358,956
Depreciation	1,680,019	124,596	-0-	-0-	-0-	1,804,615	1,919,589
Total Operating Expenses	3,659,255	1,232,022	864,444	499,151	400,883	6,655,755	6,786,911
Operating Income (Loss)	(279,946)	147,581	(7,993)	(102,801)	145,606	(97,553)	(336,420)
Nonoperating Revenues (Expenses):							
General Property Taxes	-0-		382,065	-0-	-0-	382,065	376,506
Inter-Governmental Revenue	148,084	-0-	-0-	-0-	-0-	148,084	76,509
Interest Income	140,049	66,805	189,664	22,704	102,946	522,168	369,173
Gain (Loss) on Disposal of Asset	12,250	3,616	-0-	-0-	-0-	15,866	66,772
Bond Interest Expense	(2,418)	-0-	-0-	-0-	-0-	(2,418)	(4,779)
Total Nonoperating Revenues	297,965	70,421	571,729	22,704	102,946	1,065,765	884,181
Income (Loss) Before Transfers	18,019	218,002	563,736	(80,097)	248,552	968,212	547,761
Transfers:							
Transfers Out	-0-	-0-	(100,000)	-0-	-0-	(100,000)	-0-
Change in Net Assets	18,019	218,002	463,736	(80,097)	248,552	868,212	547,761
Net Assets - Beginning	9,301,643	1,374,895	2,745,685	754,802	480,591	14,657,616	14,109,855
Net Assets - Ending	\$ 9,319,662	\$ 1,592,897	\$ 3,209,421	\$ 674,705	\$ 729,143	\$ 15,525,828	\$ 14,657,616

SANDY CITY

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2007

With Comparative Totals for the Year Ended 2006

		Information	Risk	Equipment	Payroll	Totals Internal Services Funds	
	Fleet	Services	Management	Management	Management	2007	2006
Cash Flows from Operating Activities:							
Receipts from Customers	\$ 3,379,309	\$ 1,379,603	\$ 825,752	\$ 396,350	\$ 546,489	\$ 6,527,503	\$ 6,445,737
Payments to Suppliers	(1,300,851)	(482,110)	(792,029)	(507,262)	-0-	(3,082,252)	(2,832,490)
Payments to Employees	(659,637)	(591,066)	(271,750)	-0-	(299,436)	(1,821,889)	(1,804,996)
Net Cash Provided (Used) in Operating Activities	1,418,821	306,427	(238,027)	(110,912)	247,053	1,623,362	1,808,251
Cash Flows from Noncapital Financing Activities:							
Tax Receipts	-0-	-0-	390,520	-0-	-0-	390,520	382,125
Transfers to Other Funds	-0-	-0-	(100,000)	-0-	-0-	(100,000)	-0-
Net Cash Provided from Noncapital Financing Activities	-0-	-0-	290,520	-0-	-0-	290,520	382,125
Cash Flows from Capital and Related Financing Activities:							
Acquisition of Capital Assets	(1,503,853)	(34,021)	-0-	-0-	-0-	(1,537,874)	(1,694,070)
Capital Grants and Contributions	224,593	-0-	-0-	-0-	-0-	224,593	-0-
Principal Paid on Capital Lease	(89,805)	-0-	-0-	-0-	-0-	(89,805)	(87,444)
Interest Paid on Capital Lease	(2,418)	-0-	-0-	-0-	-0-	(2,418)	(4,779)
Proceeds from Sale of Capital Assets	146,211	3,616	-0-	-0-	-0-	149,827	209,969
Net Cash Used by Capital and Related Financing Activities	(1,225,272)	(30,405)	-0-	-0-	-0-	(1,255,677)	(1,576,324)
Cash Flows from Investing Activities:							
Interest Income Received	140,049	66,805	189,664	22,704	102,946	522,168	369,173
Net Increase (Decrease) in Cash and Cash Equivalents	333,598	342,827	242,157	(88,208)	349,999	1,180,373	983,225
Cash and Cash Equivalents:							
Beginning of Year	2,678,955	1,155,725	3,438,360	769,006	1,921,322	9,963,368	8,980,143
End of Year	\$ 3,012,553	\$ 1,498,552	\$ 3,680,517	\$ 680,798	\$ 2,271,321	\$ 11,143,741	\$ 9,963,368

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:

Operating Income (Loss)	\$ (279,946)	\$ 147,581	\$ (7,993)	\$ (102,801)	\$ 145,606	\$ (97,553)	\$ (336,420)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:							
Depreciation	1,680,019	124,596	-0-	-0-	-0-	1,804,615	1,919,589
Increase (Decrease) Due to Changes in:							
Accounts Receivables	-0-	-0-	(30,699)	-0-	-0-	(30,699)	(4,754)
Inventories	4,916	-0-	-0-	-0-	-0-	4,916	(16,243)
Prepaid Assets	-0-	-0-	-0-	-0-	-0-	-0-	299
Accounts Payable	21,375	23,571	(220,156)	(8,111)	-0-	(183,321)	135,964
Salaries & Benefits Payable	(7,543)	10,679	20,821	-0-	101,447	125,404	109,816
Net Cash Provided (Used) by Operating Activities	\$ 1,418,821	\$ 306,427	\$ (238,027)	\$ (110,912)	\$ 247,053	\$ 1,623,362	\$ 1,808,251

SANDY CITY**Fleet****Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual****For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Operating Revenues:				
Charges for Sales & Services	\$ 3,990,374	\$ 4,044,625	\$ 3,368,583	\$ (676,042)
Operating Expenses				
Salaries and Benefits	711,360	711,360	652,094	59,266
Materials & Supplies	19,724	19,724	17,895	1,829
Contracted Services	18,000	18,000	8,071	9,929
Internal Charges	19,436	19,436	19,436	-0-
Administrative Charges	111,480	111,480	111,480	-0-
Cost of Goods Sold	1,057,559	1,157,559	1,109,610	47,949
Non-Capital Improvements	619,749	638,500	60,650	577,850
Depreciation	1,680,019	1,680,019	1,680,019	-0-
Total Operating Expenses	4,237,327	4,356,078	3,659,255	696,823
Operating Income (Loss)	(246,953)	(311,453)	(290,672)	20,781
Nonoperating Revenues (Expenses):				
Inter-Governmental Revenue	182,000	182,000	148,084	(33,916)
Interest Income	96,525	116,525	140,049	23,524
Gain (Loss) on Disposal of Asset	56,000	136,000	12,250	(123,750)
Capital Lease Interest Expense	(2,418)	(2,418)	(2,418)	-0-
Total Nonoperating Revenues (Expenses)	332,107	432,107	297,965	(134,142)
Income (Loss) Before Transfers	85,154	120,654	7,293	(113,361)
Transfers:				
Transfers Out	(94,654)	(94,654)	-0-	94,654
Change in Net Assets	(9,500)	26,000	7,293	(18,707)
Beginning Net Assets	9,301,643	9,301,643	9,301,643	-0-
Ending Net Assets	\$ 9,292,143	\$ 9,327,643	\$ 9,308,936	\$ (18,707)

SANDY CITY

Information Services

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 1,124,366	\$ 1,285,075	\$ 160,709
Miscellaneous Revenues	67,000	94,528	27,528
Total Operating Revenues	1,191,366	1,379,603	188,237
Operating Expenses			
Salaries and Benefits	603,298	601,745	1,553
Materials & Supplies	45,860	27,701	18,159
Contracted Services	184,555	171,211	13,344
Administrative Charges	153,526	153,526	-0-
Non-Capital Improvements	756,441	153,243	603,198
Depreciation	124,596	124,596	-0-
Total Operating Expenses	1,868,276	1,232,022	636,254
Operating Income (Loss)	(676,910)	147,581	824,491
Nonoperating Revenues (Expenses):			
Interest Income	42,281	66,805	24,524
Gain (Loss) on Disposal of Asset	-0-	3,616	3,616
Total Nonoperating Revenues (Expenses)	42,281	70,421	28,140
Change in Net Assets	(634,629)	218,002	852,631
Beginning Net Assets	1,374,895	1,374,895	-0-
Ending Net Assets	\$ 740,266	\$ 1,592,897	\$ 852,631

SANDY CITY

Risk Management

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 809,362	\$ 808,293	\$ (1,069)
Miscellaneous Revenues	-0-	48,158	48,158
Total Operating Revenues	809,362	856,451	47,089
Operating Expenses			
Salaries and Benefits	281,210	292,571	(11,361)
Materials & Supplies	13,535	14,984	(1,449)
Contracted Services	1,081,301	487,781	593,520
Internal Charges	8,892	8,892	-0-
Administrative Charges	60,216	60,216	-0-
Total Operating Expenses	1,445,154	864,444	580,710
Operating Income (Loss)	(635,792)	(7,993)	627,799
Nonoperating Revenues (Expenses):			
General Property Taxes	376,619	382,065	5,446
Interest Income	152,873	189,664	36,791
Transfers Out	(100,000)	(100,000)	-0-
Total Nonoperating Revenues (Expenses)	429,492	471,729	42,237
Change in Net Assets	(206,300)	463,736	670,036
Beginning Net Assets	2,745,685	2,745,685	-0-
Ending Net Assets	\$ 2,539,385	\$ 3,209,421	\$ 670,036

SANDY CITY

Equipment Management

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ -0-	\$ 396,350	\$ 396,350
Operating Expenses			
Cost of Goods Sold	-0-	2,000	(2,000)
Non-Capital Improvements	754,802	497,151	257,651
Total Operating Expenses	754,802	499,151	255,651
Operating Income (Loss)	(754,802)	(102,801)	652,001
Nonoperating Revenues:			
Interest Income	-0-	22,704	22,704
Change in Net Assets	(754,802)	(80,097)	674,705
Beginning Net Assets	754,802	754,802	-0-
Ending Net Assets	<u>\$ -0-</u>	<u>\$ 674,705</u>	<u>\$ 674,705</u>

SANDY CITY

Payroll Management Fund

Schedule of Revenues, Expenses, and Changes in Net Assets - Budget and Actual

For the Year Ended June 30, 2007

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Charges for Sales & Services	\$ 523,923	\$ 546,489	\$ 22,566
Operating Expenses			
Salaries and Benefits	523,923	400,883	123,040
Operating Income (Loss)	-0-	145,606	145,606
Nonoperating Revenues:			
Interest Income	72,000	102,946	30,946
Change in Net Assets	72,000	248,552	176,552
Beginning Net Assets	480,591	480,591	-0-
Ending Net Assets	<u>\$ 552,591</u>	<u>\$ 729,143</u>	<u>\$ 176,552</u>

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Capital Assets Used In the Operations Of Governmental Funds

SANDY CITY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE¹
For the Years Ended June 30, 2007 and 2006

	2007	2006
Governmental funds capital assets:		
Land	\$ 196,572,868	\$ 195,214,053
Buildings	33,869,186	32,637,706
Improvements other than Buildings	16,603,020	15,842,062
Machinery and Equipment	2,034,202	1,906,061
Autos and Trucks	71,220	71,221
Infrastructure	116,909,683	117,316,034
Street Light Improvements	9,329,621	8,950,440
Storm Drain Improvements	27,617,971	26,173,257
Construction In Progress	8,425,070	2,509,191
Total governmental funds capital assets	<u>\$ 411,432,841</u>	<u>\$ 400,620,025</u>

Investments in governmental funds capital assets by source:

General	\$ 1,372,422	\$ 1,268,025
Capital Projects	87,569,574	80,972,483
Infrastructure	278,993,950	279,448,858
Special Revenue	1,703,436	1,592,699
Electric Utilities	9,329,621	8,950,440
Storm Water	32,463,838	28,387,521
Total governmental funds capital assets	<u>\$ 411,432,841</u>	<u>\$ 400,620,025</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

SANDY CITY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
June 30, 2007

Function and Activity	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDING	MACHINERY AND EQUIPMENT	AUTOS AND TRUCKS	STREET LIGHT IMPROVEMENTS	STORM WATER IMPROVEMENTS	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS	TOTAL
General Government:										
(Including Building Services)	\$ 5,229,895	\$ 16,048,449	\$ 887,130	\$ 340,647	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 22,506,121
Total General Government	5,229,895	16,048,449	887,130	340,647	-0-	-0-	-0-	-0-	-0-	22,506,121
Public Safety:										
Police Department										
(Including Animal Control)	116,857	1,673,216	107,568	766,161	71,220	-0-	-0-	-0-	-0-	2,735,022
Fire Department	619,613	3,712,393	116,942	537,739	-0-	-0-	-0-	-0-	-0-	4,986,687
Total Public Safety	736,470	5,385,609	224,510	1,303,900	71,220	-0-	-0-	-0-	-0-	7,721,709
Public Works	173,752,356	1,275,151	152,333	199,001	-0-	-0-	-0-	-0-	-0-	175,378,841
Parks and Recreation	15,976,359	10,873,429	15,337,192	122,080	-0-	-0-	-0-	-0-	-0-	42,309,060
Community Development	-0-	286,548	1,855	43,066	-0-	-0-	-0-	-0-	-0-	331,469
Redevelopment Agency	717,131	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	717,131
Storm Water	160,657	-0-	-0-	25,508	-0-	-0-	27,617,971	-0-	-0-	27,804,136
Electric Utilities	-0-	-0-	-0-	-0-	-0-	9,329,621	-0-	-0-	-0-	9,329,621
Streets and Roads	-0-	-0-	-0-	-0-	-0-	-0-	-0-	112,777,601	-0-	112,777,601
Special Improvement Districts	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,132,082	-0-	4,132,082
Construction in Progress	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,425,070	8,425,070
Total governmental funds capital assets	\$ 196,572,868	\$ 33,869,186	\$ 16,603,020	\$ 2,034,202	\$ 71,220	\$ 9,329,621	\$ 27,617,971	\$ 116,909,683	\$ 8,425,070	\$ 411,432,841

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

SANDY CITY
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹
For the Year Ended June 30, 2007

	GENERAL FIXED ASSETS 06/30/06	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS 6/30/07
General Government: (Including Building Services)	\$ 22,313,126	\$ 192,995	\$ -0-	\$ 22,506,121
Total General Government	22,313,126	192,995	-0-	22,506,121
Public Safety:				
Police Department (Including Animal Control)	2,420,058	314,964	-0-	2,735,022
Fire Department	4,883,290	103,397	-0-	4,986,687
Total Public Safety	7,303,348	418,361	-0-	7,721,709
Public Works	173,994,296	1,384,545	-0-	175,378,841
Parks & Recreation	40,839,841	1,469,219	-0-	42,309,060
Community Development	331,469	-0-	-0-	331,469
Redevelopment Agency	717,131	-0-	-0-	717,131
Storm Water	26,345,149	1,458,987	-0-	27,804,136
Electric Utilities	8,950,440	379,181	-0-	9,329,621
Streets and Roads	113,183,952	2,665,162	3,071,513	112,777,601
Special Improvement Districts	4,132,082	-0-	-0-	4,132,082
Construction in Progress	2,509,191	7,075,772	1,159,893	8,425,070
	<u>\$ 400,620,025</u>	<u>\$15,044,222</u>	<u>\$4,231,406</u>	<u>\$ 411,432,841</u>

¹This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Impact Fees Received and Used in the Operations of Sandy City

(Schedule Required by the State of Utah)

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SANDY CITY
SCHEDULE OF IMPACT FEES
COMPARATIVE SCHEDULES BY IMPACT TYPE, YEAR RECEIVED AND PLANNED USE

Sandy City charges impact fees on all new residential and commercial construction within Sandy City limits for drainage, parks, trails, fire, and police. All new construction requiring City water service is charged a water connection fee. Impact fee revenue collected during the past eight fiscal years is presented in the following table. The capital projects for which the funds are budgeted for the current fiscal year as well as projected expenditures through fiscal year 2010 are presented below.

Impact Fee Revenue by Fiscal Year

	Water	Drainage	Parks	Trails	Fire	Police
1999	\$ 589,824	\$ 213,004	\$ 187,620	\$ 159,730	\$ -0-	\$ -0-
2000	533,255	601,156	195,546	38,365	-0-	-0-
2001	438,420	338,613	180,270	34,654	-0-	-0-
2002	446,984	393,613	202,261	22,721	-0-	-0-
2003	392,341	293,283	275,983	23,148	-0-	-0-
2004	354,529	210,003	139,918	34,068	-0-	-0-
2005	380,602	327,545	141,903	58,905	-0-	-0-
2006	864,096	730,284	698,806	66,753	315,296	129,066

Water

Water impact fees provide partial funding for:
The City's portion of the cost of a new water treatment plant being built by the MWDSLS

Approved Budget 2007	Planned Budget 2008	Planned Budget 2009	Planned Budget 2010
\$ 4,210,322	\$ 4,210,322	\$ 4,210,322	\$ 4,210,322

Drainage

Storm Drain impact fees provide partial funding for:

1) 114th S I-15 Interchange Storm drain improvements	110,701	-0-	-0-	-0-
2) 8000 South Outfall Line Install the storm drain trunk line and lateral lines	2,948,366	-0-	-0-	-0-
3) Quarry Bend Detention Pond Construct new detention basin	901,292	-0-	-0-	-0-
4) 1650 East 10600 South Tie two existing systems together to prevent ponding	128,400	-0-	-0-	-0-

Parks

Parks impact fees provide partial funding for the following projects:

1) Flat Iron Mesa Park Expand the upper parking lot	80,863	-0-	-0-	-0-
2) Lone Peak Park 2.33 acre expansion	95,000	530,000	-0-	-0-
3) Creekside Park Develop 2 acres into a park/trailhead	83,836	-0-	-0-	-0-
4) Quail Hollow Park Design/construction of the Quail Hollow Park	230,204	751,000	751,000	751,000

SANDY CITY**SCHEDULE OF IMPACT FEES (Continued)****COMPARATIVE SCHEDULES BY IMPACT TYPE, YEAR RECEIVED AND PLANNED USE**

	Approved Budget 2007	Planned Budget 2008	Planned Budget 2009	Planned Budget 2010
<i>Parks (Continued)</i>				
5) Dog Park Develop one acre adjacent to Bluth Park	\$ 13,280	\$ -0-	\$ -0-	\$ -0-
6) Union Middle School Park Construct 4.5 acres adjacent to school	454,000	-0-	-0-	-0-
7) Urban Fishery 14 acres along the Jordan River	96,163	-0-	-0-	-0-
<i>Trails</i>				
Trails impact fees provide partial funding for three projects:				
1) Bell Canyon/Jordan River/Bonneville Shoreline Trails Design Bonneville Shoreline and continued work on Bell Canyon and Jordan River trails	170,206	35,000	35,000	35,000
2) Granite Trail Head Install paved parking lot	35,470	-0-	-0-	-0-
3) Jordan River Trail Bridge Connect Sandy's section of the Jordan River Trail with South Jordan's section	10,000	-0-	-0-	-0-
<i>Fire</i>				
Fire impact fees provide partial funding for:				
The replacement and expansion of Station 32	272,870	-0-	-0-	-0-
<i>Police</i>				
Police impact fees provide partial funding for:				
Retirement of the debt on the Justice Center building that is dedicated in part for police use. The City acquired the building during fiscal year 2004.	300,993	296,868	302,205	301,924

STATISTICAL SECTION

STATISTICAL SECTION

This part of Sandy City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	128
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	134
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, water revenue. Property tax information has also been included</i>	
Debt Capacity	141
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	146
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	148
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the current year.

Sandy City**Net Assets by Component****Last Five Fiscal Years Ending June 30**

(Accrual Basis of Accounting)

	<u>2003</u>	<u>2004</u>	<u>Fiscal Year 2005</u>	<u>2006</u>	<u>2007</u>
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 316,319,735	\$ 322,769,699	\$ 326,487,853	\$ 337,682,449	\$ 352,748,948
Restricted	10,852,892	9,357,059	5,914,418	5,646,513	5,407,424
Unrestricted	<u>23,216,521</u>	<u>24,661,254</u>	<u>33,383,930</u>	<u>37,259,435</u>	<u>38,215,572</u>
Total Governmental Activities Net Assets	<u>\$ 350,389,148</u>	<u>\$ 356,788,012</u>	<u>\$ 365,786,201</u>	<u>\$ 380,588,397</u>	<u>\$ 396,371,944</u>
Business Type Activities					
Invested in Capital Assets, Net of Related Debt	\$ 44,732,306	\$ 48,891,585	\$ 49,315,238	\$ 36,734,060	\$ 39,324,204
Restricted	1,489,397	223,136	-0-	-0-	-0-
Unrestricted	<u>29,402,041</u>	<u>34,098,051</u>	<u>36,611,766</u>	<u>53,590,820</u>	<u>55,984,220</u>
Total Business-Type Activities Net Assets	<u>\$ 75,623,744</u>	<u>\$ 83,212,772</u>	<u>\$ 85,927,004</u>	<u>\$ 90,324,880</u>	<u>\$ 95,308,424</u>
Primary government					
Invested in Capital Assets, Net of Related Debt	\$ 361,052,041	\$ 371,661,284	\$ 375,803,091	\$ 374,416,509	\$ 392,073,152
Restricted	12,342,289	9,580,195	5,914,418	5,646,513	5,407,424
Unrestricted	<u>52,618,562</u>	<u>58,759,305</u>	<u>69,995,696</u>	<u>90,850,255</u>	<u>94,199,792</u>
Total Primary Government Net Assets	<u>\$ 426,012,892</u>	<u>\$ 440,000,784</u>	<u>\$ 451,713,205</u>	<u>\$ 470,913,277</u>	<u>\$ 491,680,368</u>

Note: The City did not gather this information prior to the implementation of GASB No 34 in 2003. As such a 10 year history is not available.

Sandy City
Changes in Net Assets
Last Five Fiscal Years Ending June 30
(Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
<i>Governmental Activities:</i>					
General Government	\$ 6,354,049	\$ 6,099,168	\$ 6,732,132	\$ 6,627,873	\$ 6,867,682
Police & Animal Control	10,921,199	11,039,961	11,574,194	11,758,990	12,006,296
Fire	6,592,822	6,684,265	6,547,657	6,844,133	6,706,058
Public Works	5,324,632	8,298,500	7,492,157	5,198,265	7,755,946
Parks, Landscapes, and Cemetery	2,927,991	3,313,008	4,163,629	3,463,605	4,510,115
Community Development	2,077,192	2,067,518	2,086,736	2,346,659	2,410,950
Economic Development	902,182	1,038,250	1,348,916	2,510,664	1,773,179
Recreation & Cultural Events	1,564,928	1,427,152	1,547,212	1,739,575	1,608,880
Electric Utility	772,840	897,171	870,085	938,764	957,904
Storm Water Utility	1,174,075	1,600,171	1,731,367	3,938,323	1,997,000
Interest on Long-Term Debt	2,608,382	2,412,157	2,237,033	2,127,833	1,855,689
Total Governmental Activities	41,220,292	44,877,321	46,331,118	47,494,684	48,449,699
<i>Business Type Activities</i>					
Alta Canyon Sports Center	1,002,446	1,034,668	1,058,633	1,066,562	1,114,365
Water	10,406,190	10,231,959	12,901,791	16,136,948	17,219,050
Waste	3,344,378	3,477,255	3,658,358	3,624,065	3,663,177
Golf Course	912,133	1,256,006	1,209,418	1,323,255	1,363,593
Total Business-Type Activities	15,665,147	15,999,888	18,828,200	22,150,830	23,360,185
Total Primary Government Expenses	\$ 56,885,439	\$ 60,877,209	\$ 65,159,318	\$ 69,645,514	\$ 71,809,884
Program Revenues					
<i>Governmental Activities:</i>					
Charges for Services:					
General Government	\$ 27,932	\$ 136,348	\$ 30,691	\$ 36,990	\$ 31,406
Police & Animal Control	2,503,235	3,040,121	3,672,182	3,198,097	3,552,617
Fire	1,043,746	1,344,975	1,411,659	1,726,046	1,941,523
Public Works	371,506	2,801,034	2,894,576	1,506,543	651,629
Community Development	1,754,869	1,810,767	2,188,270	2,762,696	2,935,698
Economic Development	3,500,288	3,515,038	4,002,758	4,406,573	4,592,366
Culture and Recreation	851,002	831,788	1,009,439	944,071	1,026,208
Storm Water Utility	3,021,733	2,973,078	3,258,241	3,652,827	3,436,837
Other Activities	166,786	198,701	190,948	205,994	714,630
Operating Grants and Contributions	3,779,329	4,212,373	3,702,446	4,624,621	3,908,887
Capital Grants and Contributions	331,364	385,028	447,787	2,553,325	4,032,491
Total Governmental Activities Program Revenues	17,351,790	21,249,251	22,808,997	25,617,783	26,824,292
<i>Business-Type Activities:</i>					
Charges for Services:					
Water	14,741,718	16,323,557	15,287,242	19,324,327	20,293,651
Waste	3,617,167	3,745,924	3,738,162	3,539,681	4,441,427
Alta Canyon	595,545	574,708	571,502	588,592	697,636
Golf Course	1,013,868	1,127,817	1,139,850	1,950,594	1,413,436
Capital Grants and Contributions	2,813,543	1,172,856	-0-	-0-	-0-
Total Business-Type Activities Program Revenues	22,781,841	22,944,862	20,736,756	25,403,194	26,846,150
Total Primary Government Program Revenues	\$ 40,133,631	\$ 44,194,113	\$ 43,545,753	\$ 51,020,977	\$ 53,670,442
Net (Expense)/Revenue					
Governmental Activities	(23,868,502)	(23,628,070)	(23,522,121)	(21,876,901)	(21,625,407)
Business-Type Activities	7,116,694	6,944,974	1,908,556	3,252,364	3,485,965
Total Primary Government Net Expense	\$ (16,751,808)	\$ (16,683,096)	\$ (21,613,565)	\$ (18,624,537)	\$ (18,139,442)

Note: The City did not gather this information prior to the implementation of GASB No 34 in 2003. As such a 10 year history is not available.

Sandy City

Changes in Net Assets (Continued)

Last Five Fiscal Years Ending June 30

(Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets					
<i>Governmental Activities:</i>					
Taxes					
Property Taxes	\$ 7,088,504	\$ 7,323,101	\$ 7,262,922	\$ 7,350,178	\$ 7,455,228
Sales Taxes	14,569,744	15,161,445	15,857,517	17,681,709	19,286,918
Franchise Taxes	4,299,404	4,688,366	6,284,131	6,600,373	7,091,234
Motor Vehicle Tax	918,730	881,376	818,905	825,617	824,486
Investment Earnings	873,325	410,215	709,066	1,472,455	2,104,210
Miscellaneous	1,454,708	1,712,431	1,737,769	2,904,375	887,525
Transfers	(334,187)	(150,000)	(150,000)	(150,000)	(150,000)
Total Government Activities	28,870,228	30,026,934	32,520,310	36,684,707	37,499,601
<i>Business-Type Activities:</i>					
Taxes					
Property Taxes	273,683	292,996	290,752	291,608	354,469
Motor Vehicle Tax	38,578	41,551	37,835	38,424	50,017
Investment Earnings	228,749	159,507	327,089	665,480	943,093
Transfers	334,187	150,000	150,000	150,000	150,000
Total Business-Type Activities	875,197	644,054	805,676	1,145,512	1,497,579
Total Primary Government	\$ 29,745,425	\$ 30,670,988	\$ 33,325,986	\$ 37,830,219	\$ 38,997,180
Changes in Net Assets					
Governmental Activities	\$ 5,001,726	\$ 6,398,864	\$ 8,998,189	\$ 14,807,806	\$ 15,874,194
Business-Type Activities	7,991,891	7,589,028	2,714,232	4,397,876	4,983,544
Total Primary Government	\$ 12,993,617	\$ 13,987,892	\$ 11,712,421	\$ 19,205,682	\$ 20,857,738

Note: The City did not gather this information prior to the implementation of GASB No 34 in 2003. As such a 10 year history is not available.

Sandy City
Government Activities Tax Revenues by Source
Last Ten Fiscal Years Ending June 30
(Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Fuel Tax	Total
1998	\$ 4,955,644	\$ 11,828,528	\$ 3,583,515	\$ 859,948	\$ 21,227,635
1999	5,141,763	12,966,383	3,483,868	966,216	22,558,230
2000	5,402,003	14,080,123	3,603,078	764,085	23,849,289
2001	6,068,967	14,773,043	4,435,823	721,930	25,999,763
2002	7,039,466	14,740,321	4,501,770	867,215	27,148,772
2003	7,088,504	14,569,744	4,299,404	918,730	26,876,382
2004	7,323,101	15,161,445	4,688,366	881,376	28,054,288
2005	7,262,922	15,857,517	6,284,131	818,905	30,223,475
2006	7,350,178	17,681,709	6,600,373	825,617	32,457,877
2007	7,455,228	19,286,918	7,091,234	824,486	34,657,866

Source: Sandy City Finance Department

Sandy City

Fund Balances of Governmental Funds

Last Ten Fiscal Years Ending June 30

(Modified Accrual Basis of Accounting)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Unreserved	2,299,777	2,600,277	2,885,777	3,709,277	3,939,277	4,089,891	4,154,891	4,154,891	4,897,087	5,522,615
Total General Fund	<u>\$ 2,299,777</u>	<u>\$ 2,600,277</u>	<u>\$ 2,885,777</u>	<u>\$ 3,709,277</u>	<u>\$ 3,939,277</u>	<u>\$ 4,089,891</u>	<u>\$ 4,154,891</u>	<u>\$ 4,154,891</u>	<u>\$ 4,897,087</u>	<u>\$ 5,522,615</u>
All Other Governmental Funds										
Reserved for:										
Debt Service	\$ 1,808,000	\$ 2,692,045	\$ 4,153,553	\$ 4,105,730	\$ 4,105,730	\$ 4,218,330	\$ 3,010,830	\$ 1,420,600	\$ 1,420,600	\$ 979,700
Capital Projects	5,782,807	6,736,988	9,541,587	6,324,753	3,392,020	5,153,891	5,082,959	3,516,808	3,751,658	4,117,807
Roads	2,339,636	604,922	770,378	1,372,464	1,299,106	1,480,671	1,263,270	977,010	474,255	309,917
Special Revenues	-0-	-0-	-0-	-0-	-0-	3,396,231	3,442,350	-0-	-0-	-0-
Unreserved										
Debt Service	1,500,875	1,440,707	1,269,363	1,003,143	597,197	597,197	1,192,493	1,414,559	1,510,146	1,510,146
Capital Projects	5,819,046	6,758,288	7,454,792	9,488,670	10,037,598	10,037,598	6,904,519	9,952,490	12,876,762	12,876,762
Special Revenues	5,862,833	9,255,441	13,792,376	15,561,514	17,732,493	1,162,806	4,471,071	11,698,810	10,932,860	10,932,860
Total All Other Governmental Funds	<u>\$ 23,113,197</u>	<u>\$ 27,488,391</u>	<u>\$ 36,982,049</u>	<u>\$ 37,856,274</u>	<u>\$ 37,164,144</u>	<u>\$ 26,046,724</u>	<u>\$ 25,367,492</u>	<u>\$ 28,980,277</u>	<u>\$ 30,966,281</u>	<u>\$ 30,727,192</u>
Total Governmental Funds	<u>\$ 25,412,974</u>	<u>\$ 30,088,668</u>	<u>\$ 39,867,826</u>	<u>\$ 41,565,551</u>	<u>\$ 41,103,421</u>	<u>\$ 30,136,615</u>	<u>\$ 29,522,383</u>	<u>\$ 33,135,168</u>	<u>\$ 35,863,368</u>	<u>\$ 36,249,807</u>

Sandy City

Changes in Fund Balances of Governmental Funds

Last Five Fiscal Years Ending June 30

(Modified Accrual Basis of Accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues					
Taxes	\$ 30,332,193	\$ 31,626,757	\$ 34,324,191	\$ 36,872,673	\$ 39,267,772
Special Assessments	395,235	994,215	988,511	904,929	345,358
Innkeeper Fees	167,963	178,730	194,291	231,569	268,062
Licenses and Permits	1,685,082	1,740,360	2,011,739	2,571,942	2,748,928
Inter-Governmental Revenue	3,993,322	4,449,925	3,974,374	5,202,115	5,342,008
Charges for Services	4,888,376	5,575,609	5,907,478	5,653,216	5,985,179
Administrative Charges	1,033,484	1,151,671	1,344,587	1,520,720	1,705,077
Fines & Forfeitures	2,352,612	2,661,801	2,587,126	2,615,913	3,070,564
Cell Tower Leases	131,356	138,426	153,555	160,432	123,977
Fees from Developers	595,913	223,197	611,407	2,069,176	1,398,039
Interest Income	873,327	410,214	709,067	1,472,455	2,104,221
Miscellaneous Revenues	850,933	720,761	1,555,347	2,132,228	809,866
Total Revenues	47,299,796	49,871,666	54,361,673	61,407,368	63,169,051
Expenditures					
General Government	7,120,587	7,271,840	7,616,861	8,019,303	8,280,534
Police & Animal Control	10,731,603	11,033,512	11,623,762	12,109,074	12,306,945
Fire	6,435,356	6,497,598	6,418,692	6,734,250	6,889,773
Public Works	4,691,872	4,990,014	4,773,677	5,111,617	5,311,469
Parks, Landscapes, and Cemetery	2,507,553	2,661,076	2,693,818	2,899,421	3,311,466
Community Development	2,010,190	2,029,435	2,037,419	2,293,498	2,400,364
Economic Development	894,759	1,033,553	1,342,373	2,505,894	1,775,785
Recreation and Cultural Events	1,478,515	1,329,247	1,483,375	1,514,284	1,936,972
Electric Utility	491,681	591,767	568,783	627,597	643,278
Storm Water Utility	887,804	1,096,292	1,201,137	1,097,871	1,284,352
Capital Outlays	17,473,410	8,207,410	3,926,828	8,166,646	13,094,816
Debt Service					
Principle	3,668,221	2,853,000	5,000,000	5,428,253	3,931,253
Interest	2,642,292	2,578,065	2,234,858	2,120,693	1,909,478
Other Charges	167,101	139,136	1,372,135	76,540	15,988
Total Expenditures	61,200,944	52,311,945	52,293,718	58,704,941	63,092,473
Excess of revenues over (under) expenditures	(13,901,148)	(2,440,279)	2,067,955	2,702,427	76,578
Other Financing Sources (Uses)					
Issuance of Debt	7,557,947	7,287,091	16,520,000	3,650,000	-0-
Redemption of Refunded Bonds	(5,140,703)	(5,525,000)	(3,670,000)	(3,670,000)	(3,251,000)
Bond Premium	-0-	-0-	857,599	90,798	-0-
Fees from Developers	-0-	210,003	-0-	-0-	-0-
Other Income	-0-	1,304	-0-	-0-	-0-
Sale of Capital Assets	245,418	2,649	12,231	104,975	2,967,323
Transfers In	9,736,065	8,466,823	10,295,916	12,085,439	13,521,390
Transfers Out	(9,953,203)	(8,616,823)	(10,445,916)	(12,235,439)	(13,571,390)
Total Other Financing Sources (Uses)	2,445,524	1,826,047	13,569,830	25,773	(333,677)
Net Changes in Fund Balances	<u>\$ (11,455,624)</u>	<u>\$ (614,232)</u>	<u>\$ 15,637,785</u>	<u>\$ 2,728,200</u>	<u>\$ (257,099)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>17.4%</u>	<u>14.5%</u>	<u>21.6%</u>	<u>17.8%</u>	<u>13.3%</u>

Note: The City did not gather this information prior to the implementation of GASB No 34 in 2003. As such a 10 year history is not available.

Sandy City

General Government Tax Revenues by Source

Last Ten Fiscal Years Ending June 30

(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Motor Fuel Tax	Total
1998	\$ 4,722,238	\$ 11,828,528	\$ 3,583,515	\$ 859,948	\$ 20,994,229
1999	4,865,626	12,966,383	3,483,868	966,216	22,282,093
2000	5,092,701	14,080,123	3,603,078	764,085	23,539,987
2001	5,737,847	14,773,043	4,435,823	721,930	25,668,643
2002	6,746,658	14,740,321	4,501,770	867,215	26,855,964
2003	6,778,104	14,569,744	4,299,404	918,730	26,565,982
2004	7,103,637	15,161,445	4,688,366	881,376	27,834,824
2005	7,082,393	15,857,517	6,284,131	818,905	30,042,946
2006	7,075,103	17,681,709	6,600,373	825,617	32,182,802
2007	7,185,286	19,286,918	7,091,234	824,486	34,387,924

Source: Sandy City Finance Department

Sandy City

Water Fund Billed Sales and Rates

Last Ten Fiscal Years Ending June 30

Fiscal Year	Total Billed Sales	Sandy Rates		
		Water Base ¹	Water Overage ²	Fluoride ³
1998	\$ 8,182,727	0.356/unit/day	0.66	N/A
1999	8,504,687	0.356/unit/day	0.66	N/A
2000	9,896,450	11.37	0.70	N/A
2001	10,798,859	12.64	1.10/0.70	N/A
2002	12,850,841	13.51	1.48/0.82	N/A
2003	13,118,786	14.39	1.58/0.87	N/A
2004	14,306,571	15.33	1.68/0.93	N/A
2005	14,178,536	16.33	1.79/0.99	1.35
2006	17,208,159	17.39	1.91/1.05	1.35
2007	18,647,355	18.52	2.03/1.12	1.35

Fiscal Year	Union Jordan Rates			Salt Lake County Rates		
	Water Base ¹	Water Overage ²	Fluoride ³	Water Base ¹	Water Overage ²	Fluoride ³
1998	0.480/unit/day	0.66	N/A	0.494/unit/day	0.90	N/A
1999	0.480/unit/day	0.66	N/A	0.494/unit/day	0.90	N/A
2000	15.33	0.70	N/A	15.78	0.95	N/A
2001	13.73	1.10/0.70	N/A	13.83	1.30/0.84	N/A
2002	18.22	1.48/0.82	N/A	18.75	1.63/0.89	N/A
2003	19.40	1.58/0.87	N/A	19.97	1.74/0.95	N/A
2004	20.66	1.68/0.93	N/A	21.27	1.85/1.01	N/A
2005	22.00	1.79/0.99	1.35	22.65	1.97/1.08	1.35
2006	23.43	1.91/1.05	1.35	24.12	2.10/1.15	1.35
2007	24.96	2.03/1.12	1.35	25.69	2.23/1.22	1.35

¹Water Base rates are based on a 3/4" meter, which is the standard size meter for most residences in Sandy. The City went from a per day charge to a monthly charge in fiscal year 2000.

²The first amount is the rate during peak season (May-September), and the second amount is the rate during non-peak season (October - April). The City adopted peak season rates in fiscal year 2001.

³The City did not start charging fluoride until fiscal year 2005.

Note: The City provides water services for the Union Jordan (Midvale) area as well as some Salt Lake County areas within the City.

Sandy City
Principal Water Users
June 30, 2007

Taxpayer	2007			2003		
	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue	Annual Water Bill	Rank	Percentage of Total Water Operating Revenue
Jordan School District	\$ 794,933	1	4.26%	\$ 394,800	1	2.856%
Sandy City	685,274	2	3.67%	352,382	2	2.549%
FM Group	334,124	3	1.79%	167,917	3	1.215%
SSR Western Multi-family LLC	125,464	4	0.67%			
Salt Lake County	105,832	5	0.57%	70,723	4	0.512%
IHC Health Services	82,178	6	0.44%	37,708	8	0.273%
Jordan Commons	79,154	7	0.42%	39,553	7	0.286%
The Villas at Hidden Creek	72,585	8	0.39%			
Waterford School	69,710	9	0.37%	41,248	6	0.298%
Crescentwood Village	61,200	10	0.33%			
Promontory Point Apartments				42,947	5	0.311%
Archstone Communities				37,201	9	0.269%
Fair Meadows Apartments				36,085	10	0.261%
Totals	<u>2,410,454</u>		<u>12.93%</u>	<u>1,220,564</u>		<u>8.830%</u>

Source: Sandy City Finance Department

Sandy City

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years Ending June 30

Fiscal Year	Real Property		Personal Property		Mines & Utilities
	Primary Residential	Other Property	Non Residential	Other Property	
1998	\$ 2,218,177,121	\$ 774,727,574	\$ 166,107,164	\$ 8,884,362	\$ 88,420,362
1999	2,322,246,731	811,075,256	173,900,369	9,301,187	92,568,756
2000	2,442,706,876	853,147,548	182,920,971	9,783,660	97,370,505
2001	2,504,550,719	988,221,885	172,532,176	9,785,370	127,041,282
2002	2,569,848,579	1,109,094,963	211,596,864	9,871,629	137,267,047
2003	2,736,492,162	1,116,677,816	216,897,300	9,455,672	114,450,137
2004	2,807,271,158	1,148,112,976	239,719,487	8,944,097	110,293,552
2005	2,944,551,884	1,200,902,970	230,145,834	7,376,833	99,646,666
2006	3,131,181,804	1,307,015,205	226,720,848	6,663,727	94,897,357
2007	3,596,375,124	1,621,628,690	246,526,132	6,165,738	97,311,677

Fiscal Year	Total Taxable Assessed Value	Total Direct Tax Rate ¹	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1998	\$ 3,256,316,583	0.001592	\$ 5,142,745,684	63.32%
1999	3,409,092,299	0.001606	5,317,298,007	64.11%
2000	3,585,929,560	0.001615	5,541,482,116	64.71%
2001	3,802,131,432	0.001788	5,885,828,378	64.60%
2002	4,037,679,082	0.001960	6,161,254,606	65.53%
2003	4,193,973,087	0.001895	6,446,408,328	65.06%
2004	4,314,341,270	0.001890	6,635,180,654	65.02%
2005	4,482,624,187	0.001844	6,919,830,111	64.78%
2006	4,766,478,941	0.001757	7,349,103,358	64.86%
2007	5,568,007,361	0.001514	7,349,103,358	75.76%

Source: Salt Lake County Auditor and Salt Lake County Treasurer

¹Property in the county is reassessed annually. Tax Rates are per \$1 of assessed value

Sandy City
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years Ending June 30

Fiscal Year	Sandy City				Overlapping ¹ Rates				Total Direct & Overlapping Rates
	General Fund	Debt Service	Risk Management	Total City Millage	Salt Lake County	Jordan School District	Salt Lake County Library	Special Districts ²	
1998	0.001517	0.000075	0.000000	0.001592	0.003551	0.006504	0.000608	0.001539	0.013794
1999	0.001529	0.000077	0.000000	0.001606	0.002805	0.006561	0.000607	0.001267	0.012846
2000	0.001537	0.000078	0.000000	0.001615	0.003246	0.007582	0.000625	0.001258	0.014326
2001	0.001613	0.000075	0.000100	0.001788	0.002904	0.008845	0.000583	0.001260	0.015380
2002	0.001790	0.000073	0.000097	0.001960	0.003025	0.008424	0.000764	0.001390	0.015563
2003	0.001730	0.000071	0.000094	0.001895	0.002939	0.008344	0.000744	0.001501	0.015423
2004	0.001725	0.000071	0.000094	0.001890	0.002868	0.008366	0.000747	0.001728	0.015599
2005	0.001683	0.000069	0.000092	0.001844	0.002816	0.008856	0.000733	0.001686	0.015935
2006	0.001603	0.000066	0.000088	0.001757	0.002682	0.008655	0.000696	0.001751	0.015541
2007	0.001381	0.000057	0.000076	0.001514	0.002371	0.007347	0.000617	0.001797	0.013646

Source: Salt Lake County Recorder's Office

¹Overlapping rates are those of local and county governments that apply to property owners within Sandy City. Not all overlapping rates apply to all Sandy City property owners. The rates for special districts apply only to the proportion of the city's property owners whose property is located within the geographic boundaries of the special district

²Includes South Salt Lake County Mosquito District, Salt Lake County Water District, Sandy Suburban Improvement District, and Central Utah Water District. Although other special districts apply to only a portion of the City, these districts apply to the majority of property values within the City.

Sandy City
Principal Property Taxpayers
June 30, 2007

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Macerich Co.	\$ 141,562,700	1	2.54%	\$ 75,712,100	1	2.62%
Lawrence & Karen Miller	120,094,265	2	2.16%	21,586,500	5	0.75%
Workers Compensation Fund	42,406,400	3	0.76%			
Pacificorp	40,764,131	4	0.73%	26,365,704	2	0.91%
SSR Western Multifamily LLC	36,021,095	5	0.65%			
The Boyer Company	30,483,600	6	0.55%	25,717,800	3	0.89%
Mariemont Corp.	27,605,270	7	0.50%	16,099,400	6	0.56%
Magna Investment	25,907,000	8	0.47%			
Qwest Communications	24,261,065	9	0.44%	25,260,487	4	0.87%
Becton Dickinson & Company	23,845,700	10	0.43%	13,683,700	7	0.47%
Questar Gas				12,651,766	8	0.44%
IHC Hospitals Inc				12,420,138	9	0.43%
Bien Venue Inc & Vestwood				12,365,500	10	0.43%
Totals	<u>512,951,226</u>		<u>9.21%</u>	<u>241,863,095</u>		<u>8.37%</u>

Note: Annual amounts are shown only for the top ten ranked taxpayers. Including the other amounts would skew the overall total and percentage for the top 10 taxpayers.

Source: Utah State Tax Commission and the Salt Lake County Assessment Records

Sandy City
Property Tax Levies and Collections
Last Ten Fiscal Years Ending June 30

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 4,924,084	\$ 4,749,276	96.4%	\$ 148,099	\$ 4,897,375	99.5%
1999	5,070,740	4,904,779	96.7%	154,248	5,059,027	99.8%
2000	5,290,874	5,077,138	96.0%	169,923	5,247,061	99.2%
2001	6,355,678	6,076,766	95.6%	211,487	6,288,253	98.9%
2002	7,371,920	7,077,655	96.0%	286,688	7,364,343	99.9%
2003	7,421,348	7,113,298	95.8%	299,693	7,412,991	99.9%
2004	7,629,366	7,372,650	96.6%	228,767	7,601,417	99.6%
2005	7,703,715	7,474,696	97.0%	184,512	7,659,208	99.4%
2006	7,771,552	7,543,432	97.1%	160,338	7,703,770	99.1%
2007	7,812,874	7,597,445	97.2%	-0-	7,597,445	97.2%

Source: Sandy City Finance Department

Sandy City

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years Ending June 30

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Capital Leases	Contract Payable	Notes Payable
1998	\$ 7,395,000	\$ 18,650,000	\$ 2,410,000	\$ 117,404	\$ -0-	\$ 2,450,000
1999	7,015,000	19,980,000	2,310,000	1,086,120	-0-	2,380,000
2000	6,615,000	35,495,000	2,205,000	785,750	-0-	2,305,000
2001	6,190,000	33,740,000	2,095,000	534,978	-0-	2,225,000
2002	5,735,000	41,340,000	1,975,000	273,221	-0-	2,140,000
2003	5,255,000	37,315,000	7,131,000	345,300	-0-	2,045,000
2004	4,750,000	37,245,000	6,653,000	262,413	-0-	1,945,000
2005	4,225,000	34,340,000	6,018,000	177,262	2,516,267	1,835,000
2006	3,650,000	30,740,000	5,363,000	89,812	2,013,014	1,720,000
2007	3,050,000	28,305,000	1,844,000	-0-	1,509,760	1,595,000

Fiscal Year	Business Activities				
	Revenue Bonds	Contract Payable	Total Primary Government	Percentage of Adjusted Gross Income ¹	Per Capita ¹
1998	\$ 10,675,000	\$ -0-	\$ 41,697,404	1.9%	\$ 418
1999	9,885,000	-0-	42,656,120	1.9%	423
2000	9,040,000	-0-	56,445,750	2.4%	553
2001	8,335,000	-0-	53,119,978	2.3%	601
2002	7,585,000	-0-	59,048,221	2.8%	658
2003	11,350,000	-0-	63,441,300	2.9%	679
2004	14,365,000	-0-	65,220,413	2.8%	704
2005	14,210,000	13,832,100	77,153,629	3.1%	834
2006	13,315,000	13,722,120	70,612,946	N/A	751
2007	12,395,000	13,667,130	62,365,890	N/A	653

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

¹See the Schedule of Demographic and Economic Statistics on page 146 for income and population data.

Sandy City
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years Ending June 30

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property¹	Per Capita²
1998	\$ 7,395,000	\$ -0-	\$ 7,395,000	0.14%	\$ 74
1999	7,015,000	-0-	7,015,000	0.13%	70
2000	6,615,000	-0-	6,615,000	0.12%	65
2001	6,190,000	-0-	6,190,000	0.11%	70
2002	5,735,000	-0-	5,735,000	0.09%	64
2003	5,255,000	-0-	5,255,000	0.08%	56
2004	4,750,000	-0-	4,750,000	0.07%	51
2005	4,225,000	-0-	4,225,000	0.06%	46
2006	3,650,000	-0-	3,650,000	0.05%	39
2007	3,050,000	-0-	3,050,000	0.04%	32

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 137 for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics on page 146.

Sandy City
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt			
State of Utah	\$ 1,377,000,000	4.16%	\$ 57,347,555
CUWCD ¹	311,564,660	6.14%	19,126,854
Salt Lake County	177,885,000	8.93%	15,888,017
Jordan School District	145,235,000	23.45%	34,059,790
South Valley Sewer District	430,000	25.00%	107,500
Sandy Suburban Improvement District	13,585,000	40.00%	5,434,000
Total Overlapping Debt	<u>\$ 2,025,699,660</u>		<u>\$ 131,963,716</u>
Total Overlapping Debt Less the State ²			<u>74,616,160</u>
Sandy City Total Direct Debt			<u>34,794,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 109,410,160</u></u>

Source: Zions Bank Public Finance

¹Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. These bonds are the only limited ad valorem tax bonds in the State issued under the Water Conservancy Act. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.

²The State's general obligation debt is not included in overlapping debt because the State levies no property tax for the payment of general obligation bonds.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the city. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Sandy City
Legal Debt Margin Information
Last Ten Fiscal Years Ending June 30

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Debt Limit</u>										
General (4% Fair Cash Value) ¹	\$ 205,709,827	\$ 212,691,920	\$ 221,659,285	\$ 235,433,135	\$ 246,450,184	\$ 257,856,333	\$ 265,407,226	\$ 276,793,204	\$ 293,964,135	\$ 293,964,135
Water & Sewer (4% Fair Cash Value) ¹	<u>205,709,827</u>	<u>212,691,920</u>	<u>221,659,285</u>	<u>235,433,135</u>	<u>246,450,184</u>	<u>257,856,333</u>	<u>265,407,226</u>	<u>276,793,204</u>	<u>293,964,134</u>	<u>293,964,134</u>
Total 8% Debt Limit	411,419,654	425,383,840	443,318,570	470,866,270	492,900,368	515,712,666	530,814,452	553,586,408	587,928,269	587,928,269
 Total Net Debt Applicable to Limit	 7,395,000	 7,015,000	 6,615,000	 6,190,000	 5,735,000	 5,255,000	 4,750,000	 4,225,000	 3,650,000	 3,050,000
 Legal Debt Margin	 <u>\$ 404,024,654</u>	 <u>\$ 418,368,840</u>	 <u>\$ 436,703,570</u>	 <u>\$ 464,676,270</u>	 <u>\$ 487,165,368</u>	 <u>\$ 510,457,666</u>	 <u>\$ 526,064,452</u>	 <u>\$ 549,361,408</u>	 <u>\$ 584,278,269</u>	 <u>\$ 584,878,269</u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 1.797%	 1.649%	 1.492%	 1.315%	 1.164%	 1.019%	 0.895%	 0.763%	 0.621%	 0.519%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Valuation:	
Primary Residential	\$ 3,137,712,567
All Other	<u>2,430,294,794</u>
Total Assessed Value	\$ 5,568,007,361
 Reasonable Fair Cash Value	 \$ 7,349,103,358
 Debt Limit (8% of Reasonable Fair Cash Value) ¹	 587,928,269
Debt Applicable to Limit:	
General Obligation Bonds	3,050,000
Less: Amount Set Aside for Repayment of General Obligation Debt	 -0-
Total Net Debt Applicable to Limit	<u>3,050,000</u>
Legal Debt Margin	<u>\$ 584,878,269</u>

Source: Sale Lake County Auditor's Office

¹The general obligation bonded debt of the City is limited by the Utah Constitution (Section 14, Paragraph 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for water and/or sewer purposes.

Sandy City
Pledged-Revenue Coverage
Last Ten Fiscal Years Ending June 30

Fiscal Year	Water Revenue Bonds						Sales Tax Revenue Bonds			
	Gross Revenue	Less: Direct Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sales Tax Revenue Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
1998	\$ 8,835,057	\$ 5,688,787	\$ 3,146,270	\$ 745,000	\$ 613,813	2.32	\$ 11,828,528	\$ -0-	\$ -0-	-0-
1999	9,018,911	5,816,145	3,202,766	790,000	610,040	2.29	12,966,383	-0-	-0-	-0-
2000	10,311,370	6,538,517	3,772,853	845,000	513,969	2.78	14,080,123	-0-	-0-	-0-
2001	11,330,559	6,240,341	5,090,218	705,000	457,423	4.38	14,773,043	-0-	-0-	-0-
2002	13,412,729	6,969,192	6,443,537	750,000	415,638	5.53	14,740,321	480,000	589,290	13.79
2003	14,935,903	10,172,883	4,763,020	785,000	377,637	4.10	14,569,744	700,000	732,130	10.17
2004	15,546,223	10,194,711	5,351,512	825,000	485,435	4.08	15,161,445	3,165,000	1,565,293	3.21
2005 ¹	15,572,878	12,508,458	3,064,420	-0-	478,381	6.41	15,857,517	3,010,000	1,398,140	3.60
2006	19,647,097	14,926,004	4,721,093	735,000	1,125,551	2.54	17,681,709	1,945,000	1,324,021	5.41
2007	20,840,144	16,391,342	4,448,802	810,017	990,162	2.47	19,286,918	1,685,000	1,264,928	6.54

Fiscal Year	Special Assessment Bonds				Motor Fuel Excise Tax Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	B & C Road Fund Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
1998	\$ 248,249	\$ 95,000	\$ 170,300	0.94	\$ 2,782,454	\$ 835,000	\$ 382,105	2.29
1999	207,388	100,000	164,980	0.78	3,116,619	870,000	347,353	2.56
2000	244,618	105,000	159,180	0.93	3,313,462	1,445,000	617,788	1.61
2001	247,139	110,000	152,880	0.94	3,281,124	1,465,000	600,146	1.59
2002	250,879	120,000	146,005	0.94	2,839,583	1,530,000	532,994	1.38
2003 ²	-0-	478,000	287,560	-0-	3,028,933	1,600,000	461,489	1.47
2004	991,015	635,000	276,603	1.09	3,240,291	595,000	251,564	3.83
2005	986,961	655,000	256,864	1.08	2,828,925	620,000	221,814	3.36
2006	904,549	679,000	234,165	0.99	3,475,548	655,000	190,814	4.11
2007	344,658	703,000	208,471	0.38	3,183,289	965,000	157,409	2.84

¹The total reduction in long term debt was \$8,055,000, of which \$7,560,000 represented defeasance of debt from bond refunding and \$495,000 represented a reduction in bond principle.

²The original bond was refunded with cash flow savings taken in the first and second year of refunding. Sufficient reserves existed to service debt. As such, no assessment was required as of year end. Additionally, two new SIDs were created with a payment date of December 15, 2003.

Sandy City
Demographic and Economic Statistics
Last Ten Fiscal Years Ending June 30

Fiscal Year	Population¹	Personal Income²	Per Capita Personal Income²	Adjusted Gross Income³	Per Capita Adjusted Gross Income³	Median Age⁴	Unemployment Rate⁵
1998	99,761	\$ 3,216,715,172	\$ 32,244.22	\$ 2,156,457,695	\$ 21,616.24	22.9	3.1%
1999	100,822	3,304,764,310	32,778.21	2,228,415,644	22,102.47	22.9	2.6%
2000	102,033	3,574,890,795	35,036.61	2,345,195,742	22,984.68	29.1	2.1%
2001	88,419	3,463,924,333	39,176.24	2,318,209,287	26,218.45	29.1	2.4%
2002	89,745	3,534,756,235	39,386.66	2,109,255,254	23,502.76	29.1	4.3%
2003	93,500	3,433,138,636	36,718.06	2,196,558,395	23,492.60	29.1	4.5%
2004	92,685	4,203,938,276	45,357.27	2,303,635,015	24,854.45	29.1	3.3%
2005 ⁷	92,500	N/A	N/A	\$ 2,529,506,622	27,346.02	29.1	3.2%
2006	94,000	4,144,605,882	44,091.55	N/A	N/A	29.1	2.8%
2007	95,449	N/A	N/A	N/A	N/A	29.1	1.7%

Fiscal Year	High School or Less²	Some College/ Tech School²	Two-Year College Degree²	Bachelors Degree (4 yrs.)²	Grad. School/ beyond 4 yr.²	Refused to Answer²	School Enrollment⁶
1998	18%	23%	13%	29%	17%	1%	26,500
1999	18%	21%	14%	29%	17%	1%	25,714
2000	13%	27%	12%	29%	17%	2%	24,844
2001	15%	25%	14%	26%	19%	1%	24,538
2002	15%	21%	10%	33%	19%	1%	23,959
2003	14%	25%	10%	31%	17%	2%	23,756
2004	12%	23%	13%	32%	18%	2%	23,143
2005 ⁷	N/A	N/A	N/A	N/A	N/A	N/A	22,570
2006	14%	20%	12%	31%	20%	3%	22,365
2007	N/A	N/A	N/A	N/A	N/A	N/A	21,634

¹Source: Sandy City Planning Division

²Source: Estimated using information received from the Dan Jones Survey

³Source: Utah State Tax Commission (Based on a calendar year)

⁴Source: Census Bureau (Based on 1990 and 2000 census)

⁵Source: Utah Department of Workforce Services

⁶Source: Jordan School District

⁷No Dan Jones Survey was conducted in 2005

**Sandy City
Principal Employers
Current Year and Prior Year**

Employer	2007			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Discover Financial Services	1,441	1	2.71%	1,441	1	2.86%
Becton Dickinson	1,092	2	2.06%	1,092	2	2.16%
ACS Business Solutions	633	3	1.19%	633	3	1.25%
Sandy City Corporation	511	4	0.96%	517	4	1.02%
WalMart	400	5	0.75%			0.00%
Harman Music Group Inc	355	6	0.67%	294	7	0.58%
Alta View Hospital	332	7	0.63%	332	5	0.66%
E Trade Financial	310	8	0.58%			0.00%
Aetna Behavioral Health	283	9	0.53%	283	8	0.56%
Macey's Grocery Store	272	10	0.51%	272	9	0.54%
Meier and Frank				307	6	0.61%
Centry Constructor and Engineers				234	10	0.46%
Total	<u>5,629</u>		<u>10.60%</u>	<u>5,405</u>		<u>10.71%</u>

Note: Annual amounts are shown only for the top ten principal employers. Including the other amounts would skew the overall total and percentage for the top 10 principal employers

Source: Sandy City Business License Division and Bureau of Labor Statistics

Sandy City
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years Ending June 30

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Mayor	3.3	3.3	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.3
City Administrator	9.8	10.8	14.6	17.0	18.0	19.8	19.8	19.8	20.0	21.0
City Council	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
City Attorney	9.2	9.2	8.6	8.6	8.6	8.0	8.0	8.6	9.6	10.4
Court Services	8.6	9.6	9.6	9.6	8.6	11.6	10.6	12.6	14.6	15.0
Finance & Information Services	16.3	18.3	20.3	24.3	24.3	26.4	27.4	27.4	28.4	29.6
RDA	0.2	0.7	0.9	0.9	2.4	2.4	1.9	2.9	2.9	2.9
Non-Departmental	1.0	1.0	1.5	1.5	1.0	1.8	1.8	1.8	1.8	2.8
Public Safety										
Police	89.4	98.4	97.6	108.6	113.1	116.6	116.1	116.6	140.6	138.0
Fire	50.0	55.0	55.0	64.0	75.0	79.0	76.0	77.0	77.0	75.0
Animal Services	5.0	6.0	6.0	6.0	6.0	6.0	5.0	8.0	8.0	8.0
Public Works	39.3	44.3	45.3	46.3	47.3	48.3	48.3	52.3	52.3	53.3
Parks & Recreation	19.3	20.3	18.8	21.8	24.3	25.3	27.3	28.8	29.3	31.0
Alta Canyon	0.8	1.8	1.8	1.8	2.8	5.0	6.0	6.0	7.0	7.0
River Oaks Golf Course	-0-	-0-	-0-	-0-	6.0	6.0	6.0	5.0	5.0	6.0
Community Events/ Amphitheater	1.0	1.0	1.0	2.0	2.0	2.0	3.0	3.0	3.0	4.0
Community Development	22.5	23.5	24.5	25.5	26.5	26.5	26.4	27.4	27.4	26.8
Utilities										
Water	19.9	21.9	27.7	31.7	35.7	37.2	37.2	39.2	40.2	39.4
Storm Water	6.4	6.4	7.7	7.2	9.2	10.2	11.2	12.2	13.2	13.4
Electric Utilities	0.2	0.2	0.2	1.2	1.2	2.2	3.2	3.2	3.2	3.2
Total	305.0	334.5	347.4	384.2	418.2	440.6	441.5	458.1	489.7	493.0

Source: Sandy City Payroll Division

Sandy City
Operating Indicators by Function
Last Ten Fiscal Years Ending June 30

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Physical Arrests	3,548	4,191	4,030	3,984	4,175	4,420	4,339	3,980	4,253	4,374
Nonmoving Traffic Citations	1,447	1,651	1,648	1,690	1,834	888	1,742	1,928	4,165	4,130
Moving Traffic Citations	15,417	16,224	18,425	16,829	17,211	19,237	19,877	17,387	17,280	20,136
Fire										
Number of fire calls answered	1,482	1,475	1,584	1,601	1,811	2,184	2,063	1,558	1,845	1,661
Number of medical calls answered	2,727	2,843	2,918	3,101	3,501	3,559	3,502	4,075	3,842	3,542
Public Works										
Street resurfacing (miles)										
Overlays	5.01	4.70	1.68	6.31	8.26	8.43	4.65	1.67	2.87	3.52
Slurry	37.20	39.87	36.04	43.62	28.70	29.55	34.87	38.87	40.96	39.50
Potholes repaired	N/A	N/A	1,661	1,017	697	660	916	357	251	360
Sanitation										
Number of Garbage Cans per month	27,924	28,596	29,779	29,622	30,319	30,449	30,463	30,509	30,938	31,294
Number of Recycle Cans per month	21,461	21,672	22,079	22,199	22,778	23,011	23,166	23,202	23,413	23,576
Parks, recreation, and cemetery										
Number of program participants	18,745	18,593	18,842	18,083	19,107	19,870	13,650	14,315	15,154	15,281
Cemetery plots sold	40	25	40	53	31	43	26	52	84	62
Alta Canyon ¹										
Members	N/A	N/A	N/A	N/A	N/A	2,198	1,988	1,734	1,045	1,100
Class participants	N/A	N/A	N/A	N/A	N/A	86,091	99,133	96,236	87,718	92,704
Golf ²										
Number of 18 hole rounds played	N/A	N/A	N/A	N/A	N/A	6,216	14,324	15,481	14,121	16,564
Number of 9 hole rounds played	N/A	N/A	N/A	N/A	N/A	11,375	24,471	26,335	28,328	30,512
Number of tournaments	N/A	N/A	N/A	N/A	N/A	5	21	28	24	50
Amphitheater ³										
Number of tickets sold	N/A	N/A	N/A	N/A	N/A	N/A	N/A	29,634	22,500	30,612
Number of shows	N/A	N/A	12	12	12	8	10	13	13	15
Water										
New connections	N/A	N/A	164	231	220	159	185	220	375	382
Water main breaks	52	66	67	61	74	57	64	57	86	61
Average daily consumption (gallons)	23,538,600	25,668,364	29,100,582	29,055,890	29,055,890	23,033,589	21,493,638	21,688,435	25,607,989	26,170,833

¹Alta Canyon Recreation Center came under Sandy City's management on July 1, 2002

²The Golf Course was purchased on June 28, 2002

³The Amphitheater opened on January 1, 2000, however, ticket sales information was not available prior to 2005.

Source: Various City Departments

Sandy City
Capital Asset Statistics by Function
Last Ten Fiscal Years Ending June 30

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	5	5	5	4	4	4	3	3	4
Vehicles and Motorcycles	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	135	137
Fire										
Fire Stations	4	4	4	4	5	5	5	5	5	5
Transport Fire Engines	-0-	-0-	-0-	-0-	4	4	4	4	4	7
Ladder Truck 100'	-0-	-0-	1	1	1	1	1	1	1	1
Telesquirt 50'	1	1	1	1	1	1	1	1	1	1
Ambulance	-0-	-0-	-0-	-0-	2	2	2	2	2	2
Public Works										
Streets (road miles)	283	285	287	287	289	291	301	304	305	306
Traffic Signals	17	20	23	24	26	27	29	30	30	34
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,740	6,822
Culture and Recreation										
Parks Acreage	186	186	203	211	213	219	220	220	232	251
Parks	26	28	30	30	30	30	30	31	31	23
Swimming Pools	-0-	-0-	-0-	-0-	-0-	1	1	1	1	1
Tennis Courts	27	27	27	27	27	30	30	30	30	30
Water										
Water mains (miles)	355	360	364	446	446	452	477	443	443	447
Fire Hydrants	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4,426	4,849
Maximum Daily Capacity (millions of gallons per day)	61.956	61.956	61.956	61.956	61.956	61.956	67.886	73.646	73.976	131.376
Storm Water Drains (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	152	172

Source: Various City Departments